



Campaign Disclosure Instructions for State Executive and Legislative Candidates

March 2016

Washington State Public Disclosure Commission
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Shining Light on Washington Politics Since 1972

THE PUBLIC DISCLOSURE LAW

Adopted as Initiative 276 in 1972

Codified as Chapter 42.17A

Revised Code of Washington

The Public Disclosure Commission, five citizens and a small full time staff, administers the law and the rules implementing it.

Instructions in this booklet are provided to assist in the preparation of campaign disclosure reports required by chapter 42.17A RCW. Care has been taken to make these instructions accurate yet concise. However, these instructions cannot be substituted for the applicable provisions of chapter 42.17A RCW and 390 WAC. The law and rules are controlling in the event of any conflict with or omission in the instructions. Copies of the law and rules are available on request.

There are separate instruction books for Local and Judicial Candidates (full reporting), Political Committee (full reporting), and candidates and committees using Mini Reporting.

PDC also has computer software available free of charge to assist with electronic filing of campaign reports. Call the number shown below or visit the PDC website at www.pdc.wa.gov for details.

All reports on file with the Commission are public records. Copies are available at cost:

Paper copies of scanned records: 15 cents per page

CD: \$1 each plus scanning fee as set out in the PDC's fee schedule.

See the PDC's fee schedule for other available formats and associated costs.

Reports from 1981 thru 1996 are accessible only from State Archives. Call (360) 586-1492 to order reports.

Send your suggestions for improving these instructions to:

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Fax: (360) 753-1112 **(Do not file reports by fax)**

E-mail: pdcc@pdc.wa.gov **(Do not file reports by e-mail)**

Persons needing clarification of the instructions or other assistance are encouraged to call PDC staff. Information concerning Washington's ethics law may be obtained from the Executive Ethics Board (360) 664-0871, the Legislative Ethics Board (360) 786-7540, or the Commission on Judicial Conduct (360) 753-4858.

REPORTING SUMMARY -- 2016

What To Do

When To Do It

- | | | |
|--|--|---|
| 1. <u>Get PDC instructions and forms.</u> | When candidate decides to run for office. | |
| 2. <u>File Personal Financial Affairs Statement (F-1 form).</u>
(Incumbents who filed report by April 15 need not file again.) | Within 2 weeks of becoming a candidate.
(You become a candidate when you raise or spend money, reserve space or buy advertising, authorize someone else to take one of these actions for you, or you make a public announcement or file your Declaration of Candidacy, <u>whichever occurs first.</u>) | |
| 3. <u>Register committee on C-1 form.</u>
Appoint a treasurer. Open a bank account. (File a C-4 report if your campaign has already received or spent money.) | Within 2 weeks of becoming a candidate. | |
| 4. <u>Deposit money and fill out C-3 form.</u> File it with the PDC. ¹ | Make deposits within 5 business days of receipt.
From June 1 in the election year through general election, file the C-3 report on the first Monday after the deposit was made. At other times, file C-3 along with C-4. | |
| 5. <u>File monthly contribution and expenditure C-4 reports</u> (if contributions or expenditures exceeded \$200 since last C-4 report filed). | On the 10th of month to cover preceding month (or period since last C-4 was filed). Not required in months when one of the special C-4 reports listed below is filed. | |
| 6. <u>File Primary Election C-4 Reports.</u> Report all campaign contributions and expenditures. | <ul style="list-style-type: none"> - July 12, 2016 - July 26, 2016 - Sept 12, 2016 | <ul style="list-style-type: none"> (21 days before primary election) (7 days before primary election) (10th of the first month following the election) |
| 7. <u>File General Election C-4 Reports.</u> Report all campaign contributions and expenditures. | <ul style="list-style-type: none"> - Oct 18, 2016 - Nov 1, 2016 - Dec 12, 2016 - Jan 10, 2017 | <ul style="list-style-type: none"> (21 days before general election) (7 days before general election) (10th of the first month following the election) (10th of the first month following the end of the election cycle)² |

If you are reporting for a special election held on a date other than the primary or general election, ask PDC for the Reporting Dates for Special Elections.

¹ There is no longer a county filing requirement. All City of Seattle office candidates file reports with the City of Seattle Ethics & Elections as well as the Public Disclosure Commission.

² If all bills are paid and surplus funds disposed of, this post general election C-4 report is your final report. If unpaid bills, loans or surplus funds remain, you must continue to file monthly C-4's.

Summary of Campaign Disclosure Reports

PDC Form	What it Contains	When it's Due*
F-1 Financial Affairs Statement	Sources of income, real estate transactions, bank accounts, stocks, debts owed, business holdings and business customers.	Within 2 weeks of becoming a candidate. (Incumbents who have a current report on file with PDC do not need to file another F-1 statement.)
C-1 Candidate Registration	Office sought, reporting option, committee officers, treasurer's name, time and place for public inspection of records.	Within 2 weeks of becoming a candidate. (For PDC purposes, someone may become a candidate well before a formal declaration is filed with elections officials. See instruction book.)
C-3 Cash Receipts, Monetary Contributions	Names of contributors, amounts, addresses, occupation, employer.	Bank deposits must be made at least weekly. Complete a C-3 for each deposit and file the C-3 reports as follows: For primary and general elections --Between June and general election day, file weekly on Mondays. For special elections --During last 4 months before election, file weekly on Mondays. Other Periods --File with C-4 reports.
Schedule L (Part 1)	Name and address of contributor (lender), amount of loan, interest rate, repayment schedule.	
Attachment Au	Names and addresses of contributors donating and purchasing auction items.	
C-4 Receipts and Expenditure Summary Schedule A	Total contributions and expenditures for campaign. Itemized expenses, contribution totals for period.	-Same day as C-1 if contributions were received or expenditures made before registering; -10th of each month to cover preceding calendar month (or period since last C-4) if over \$200 in contributions or expenditures;
Schedule B	In-kind contributions, pledges, orders placed.	-21 days before primary and general elections;
Schedule C	Corrections, adjustments.	-7 days before primary and general; and
Schedule L (Parts 2-4)	Details regarding loan payments and loans forgiven and outstanding.	-10th of first month after election.

Other Reports

- C-5** This form is used by Out-of-State PACs, including committees that are registered with the Federal Elections Commission, to report contributions of over \$50 they make to in-state candidates and political committees. This report must be filed by the out-of-state committee no later than the 10th day of the month following any month in which a contribution or other expenditure is made.
- C-6** This form is used by persons making:
- campaign expenditures of \$100 or more that are not made to, or in conjunction with, a candidate or political committee;
 - independent expenditures for advertising of \$1,000 or more presented to the public within 21 days of an election; and
 - expenditures for an advertisement that clearly identifies at least one candidate for state, local, or judicial office; appears within 60 days of an election in the candidate's jurisdiction; is distributed through radio, television, postal mailing, billboard, newspaper or periodical; and, either alone, or in combination with other communications by the sponsor identifying the same candidate has a fair market value of \$1,000 or more.

*** File Campaign Disclosure Reports ("C" series forms C-3 and C-4) with PDC; there is no county filing requirement. Reports are considered filed as of postmark date or, if filed electronically, on the file transfer date.**

2016 Key Reporting Dates for Candidates


<u>DATE PERIOD</u>	<u>ACTIVITY</u>	<u>C-4 REPORT</u>
Within two weeks of becoming a candidate	File a C-1 (non-incumbents also file an F-1)	
Jan 11	File monthly C-4 & C-3, if necessary	close of last report thru Dec 31
Feb 10	“ “	close of last report thru Jan 31
Mar 10	“ “	close of last report thru Feb 29
Apr 11	“ “	close of last report thru Mar 31
May 10	“ “	close of last report thru Apr 30
May 16 – 20	Declaration of candidacy filing week	
June 1	Begin filing C-3 reports weekly, each Monday, for deposits made during previous 7 days (Monday thru Sunday)	
June 10	File monthly C-4, if necessary	close of last report thru May 31
June 20	Final day before primary to change from mini to full reporting without special circumstances ¹	
July 12	21 day pre-primary C-4 due ²	June 1 thru July 11
July 25 – Aug 1	Campaign books open for public inspection	
July 26	7 day pre-primary C-4 due	July 12 thru July 25
July 26 – Aug 1	Special reports due if candidate receives contributions of \$1,000 or more from one source. ³	
Aug 2	PRIMARY ELECTION DAY	
Aug 31	Final day before general to change from mini to full reporting without special circumstances ¹	
Sept 12	Post-primary C-4 due	July 26 thru Aug 31
Oct 18	21 day pre-general C-4 due	Sep 1 thru Oct 17
Oct 18 – Nov 7	Special reports due if candidate receives contributions of \$1,000 or more in the aggregate from one source. Unless the contribution is from the <u>state committee</u> of a major political party or a minor party, a candidate may not now receive from one source contributions totaling over \$5,000 in the aggregate. ³	
Oct 31 – Nov 7	Campaign books open for public inspection	
Nov 1	7 day pre-general C-4 due	Oct 18 thru Oct 31
Nov 8	GENERAL ELECTION DAY	
Dec 12	Post-general C-4 due (and C-3, if necessary)	Nov 1 thru Nov 30

¹ See [WAC 390-16-125](#).

² Only required of candidates whose names will appear on the primary election ballot or who are running as write-in candidates in the primary election. Candidates who are only in the general election file monthly reports for June, July, and August – these reports are due on the 10th of the following month.

³ Does not constitute authority to exceed any applicable local or state contribution limit.

Contents

 = E-filing instructions











Part 1. General Information







Introduction	1
Mandatory Electronic Filing	1
Requests for Reporting Modifications	2
Reporting Options.....	2
Mini Reporting	2
Full Reporting.....	3
Changing Reporting Options	3
Bank Accounts.....	3
Bank Deposits	4
Public Inspection of Campaign Records.....	4
PDC Inquiries and Audits	5
Prohibitions and Restrictions	5
Public Service Announcements	5
Concealment.....	5
Persons Prohibited from Making Contributions	6
Primary and General Contributions.....	6
Spending General Election Contributions.....	6
Legislative Session Freeze	7
"Last Minute" Contribution	7
Contributing to Others.....	7
Personal Use of Contributions.....	8
Transmitting Contributions (Bundling).....	8
Reimbursement for Contributions	9
Using Contributions for Different Office	9
Surplus Campaign Funds.....	9
Ending a Campaign Before the Election is Held	10
Candidate Loan Repayments.....	10
Use of Public Agency Facilities	11
Anonymous Contributions.....	11
Contributions From Out-of-State Committees.....	12
Expenditure Restriction	12
Monetary Contributions	12
Soliciting Government Employees	12
Charging for Endorsement or Media Coverage.....	13
Political Advertising	13
Mass Communication	13
Political Party Preference	13
Sponsor Identification.....	14
ID Size and Placement.....	14
Items Exempt From Sponsor Identification	15
Content of Advertising.....	15
Sign placement	16
False Political Advertising	16
Check List.....	17
Independent Expenditures & Electioneering Communications.....	18
Definition of Independent Expenditure	18
Definition of Electioneering Communication.....	18
Sponsor Identification.....	19
Reporting.....	19

C-6 Reports	19
L-2 Reports	20
C-7 Reports	20

Part 2. Filing Campaign Reports

Register as a Candidate on a C-1	21
Election Cycle	21
Filling Out the C-1 Statement	22

Monetary and In-Kind Contributions	24
Definition.....	24
What is Not a Contribution.....	25
Volunteer Services.....	25
Contributions by the Candidate	26
Contribution Limits	27
Earmarked Contributions.....	28
Special Reports of Contributions Over \$1,000	29
Keeping Records of Contributions	30
Occupation and Employer	31
Recording a Contribution.....	31
 Entering Monetary Contributions in the ORCA Software.....	31
"Receipt" of Contributions.....	34
Sources of Contributions	34
Contributions of Uncertain Origin	35
Loans.....	35
 Entering Monetary Loans in the ORCA Software.....	35
Fund Raising Events.....	35
Qualifying Low-Cost Fund Raisers.....	36
 Entering Low-Cost Fund Raisers in the ORCA Software	37
Auctions (Attachment Au).....	37
 Recording an Auction in the ORCA Software	38
 Receipts That Are Not Contributions	40
The C-3 Report	40
Cash Receipts and Expenditures [Sch. A, Parts 1 & 2].....	40
 C-4 Reporting Periods.....	41
In-Kind Contributions [Schedule B, Part 1]	41
Valuing In-Kind Contributions	43
 Entering In-Kind Contributions in the ORCA Software.....	44
In-Kind Loans	45
 Entering In-Kind Loans in the ORCA Software	45
In-Kind Loans vs. Debt.....	45
Pledges [Schedule B, Part 2]	46
 Entering Pledges in the ORCA Software.....	46
 Redeeming Pledges in the ORCA Software	47

Expenditures and Debts.....	47
Definition.....	47
Permissible Expenditures	48
 Entering Expenditures in the ORCA Software.....	48
Coding Expenditures.....	49
Expenditures Needing Fuller Explanations	49
Petty Cash Fund	50
 Establishing a Petty Cash Fund in the ORCA Software	51
Outstanding Debts [Schedule B, Part 3]	51
 Entering a Debt in the ORCA Software	52
 Satisfying or Forgiving a Debt in the ORCA Software.....	52
Loans.....	52
 Entering Loan Payments in the ORCA Software	53
 Forgiving Loans in the ORCA Software.....	53

Loans Still Owed [Schedule L, Part 4]	53
Corrections [Schedule C].....	53
The C-4 Report	54
C-4 Due Dates	56
Reporting Period Close-Out Dates.....	56
After the Election	57
Post-Election Reports	57
Candidates Who Lose the Primary Election	57
Candidates in the General Election	58
Investment of Campaign Funds	59
Surplus Funds Accounts.....	59
Start-up of New Campaign	60
Bookkeeping Tips	62
Computer Reports	62
Contribution Records	62
Expenditures.....	62
Miscellaneous Records	63
Deducting Cost of Consumables	63
Joint Fund Raising and "Slate" Committees.....	64
Appendix	
Electronic Filing [campaign reports].....	67
Electronic Filing [personal financial affairs statement].....	68
County Elections Officials	69
Pertinent Government Agencies	72
WSDOT's Campaign Sign Placement Advisory	73

ORCA INSTRUCTIONS

Set Up

Adding C-4 Reporting Periods	41
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Receipts

Entering Monetary Contributions in the ORCA Software	31
Entering Low-Cost Fund Raisers in the ORCA Software.....	37
Recording an Auction in the ORCA Software.....	38
Receipts That Are Not Contributions	40
Entering In-Kind Contributions in the ORCA Software	44
Entering In-Kind Loans in the ORCA Software.....	45
Entering Pledges in the ORCA Software	46
Redeeming Pledges in the ORCA Software	47

Expenditures

Entering Expenditures in the ORCA Software	48
Establishing a Petty Cash Fund in the ORCA Software.....	51
Entering a Debt in the ORCA Software	52
Satisfying or Forgiving a Debt in the ORCA Software	52
Entering Loan Payments in the ORCA Software.....	53
Forgiving Loans in the ORCA Software	53

Loans

Entering Monetary Loans in the ORCA Software	35
Entering In-Kind Loans in the ORCA Software.....	44
Entering Loan Payments in the ORCA Software.....	53
Forgiving Loans in the ORCA Software	53

Part 1. General Information

Introduction

One of the primary purposes of the public disclosure law is to provide citizens of this state -- and especially voters -- with the means for becoming informed about the financing of political campaigns. The public disclosure law was enacted through voter approval of Initiative 276 in 1972. In 1992, voters instituted contribution limits and other campaign reforms with the passage of Initiative 134.

I-276 also established the five-member Public Disclosure Commission (PDC) to enforce the law. Commission members are appointed by the Governor for one five-year term. Commissioners set policy, adopt administrative rules, and interpret and enforce the law. They are citizen volunteers, not state employees. They typically meet in Olympia on the fourth Thursday of the month. The public is welcome to attend Commission meetings or watch a live webcast on the PDC's website. The public can also follow the PDC's work at www.pdc.wa.gov.

This manual explains the disclosure requirements, prohibitions, and restrictions with which a candidate for state executive or legislative office must comply. Candidates for other offices should refer to the PDC's other candidate manuals. In addition to campaign requirements, a candidate for state office must also disclose some personal financial information. This disclosure requirement is fully explained in the PDC's Personal Financial Affairs Statement Instructions.

The law requires that records be kept and reports be filed of all contributions and expenditures. **Campaign records must be kept for five years from the date of the election.**

All candidates and committees subject to the Public Disclosure Law must report to the PDC, regardless of the amount of money they will receive from contributors or spend on their campaigns. Treasurers for most campaigns using full reporting will have to devote many hours to keeping exact records and filing accurate, detailed reports of receipts and expenditures.

The key to complying with both the regulatory and the reporting provisions of the law is to keep detailed records of each contribution and expenditure and file reports on time. The treasurer and the candidate share the responsibility of ensuring that that campaign reports are accurate, complete, and timely filed. Each year the PDC receives many complaints alleging violations of the public disclosure law. The PDC's most visible role is to hold hearings and judge these cases. The PDC can assess a civil penalty up to \$10,000 upon concluding that someone has violated the public disclosure law and may refer certain violations for criminal prosecution.

Most campaigns will be required to electronically file contribution and expenditure reports. E-filed reports are considered filed on the file transfer date. Any report mailed to the PDC is filed as of the postmark date. Mailed reports, schedules and attachments should be typewritten or printed in black ink. Use 8 1/2" x 11" white paper for attachments or enclosures so that they can be scanned and made available online.

Mandatory Electronic Filing

All candidates who expect to spend \$5,000 on the current campaign or met the \$5,000 expenditure threshold in the last campaign for the same office are required to submit campaign finance reports electronically.

The PDC has developed free campaign finance reporting software (ORCA) for electronically filing campaign reports. The application is NOT campaign management software; it is designed specifically to meet the reporting requirements under RCW 42.17A.

If you use campaign management software, the PDC can send you a "vendor kit." This is a software development package that, with some additional advanced programming, may enable your campaign to file electronically using your current software.

The Commission may make exceptions on a case-by-case basis for candidates whose authorized

committees lack the technological ability to file reports electronically. A candidate seeking an exception under RCW 42.17A.245 submits to the PDC a written explanation why the authorized committee lacks the ability to file reports electronically. The PDC will consider the request at an upcoming Commission meeting. The candidate making the request is encouraged to attend the meeting. The PDC staff can arrange for the candidate to participate by telephone if s/he is unable to appear in person.

The ORCA software should be used from the start of the campaign. Transitioning to the ORCA software mid-campaign will require data entry of contributor and expenditure data from the start of the campaign. The master data file may be shared among individuals, however only one person at a time may enter data. When sharing the file, one person will enter data, save their work, back up the file, and then send the file to the second person. Once the recipient enters data, the file must be backed up and sent back to the original person who restores it before doing more data entry. See page 65 for system requirements and download instructions or visit the PDC's website.

Once installed, the ORCA software will create all of the reports a state executive or legislative candidate must file to comply with state law. Each report is then filed over the Internet. The campaign data should be backed up often. The PDC will not be able to restore data in the event of a computer failure.

Basic instructions for using the ORCA software are scattered throughout this manual. The ORCA software contains help tools such as on-screen tutorials and a frequently-asked questions section. Additionally, the PDC staff offers free workshops in Olympia – the schedule is online. Pre-registration is required.

Requests for Reporting Modifications

The PDC may suspend or modify the reporting requirements of persons subject to the disclosure law if it decides that the law works a "manifestly unreasonable hardship" on the filer and the modification "will not frustrate the purposes" of the law. If a candidate believes his or her circumstances meet these two statutory tests and is able to provide convincing arguments to that effect, the candidate has the option of requesting that the PDC grant a reporting modification.

The most common type of reporting modification requests that the PDC receives involves the Personal Financial Affairs Statement. These requests typically come from people who own a business and who would face a competitive disadvantage by disclosing the names of business customers. The PDC has developed an application form that must be completed by any one who wishes to request modification from reporting any of his or her personal financial affairs. Access the form at <http://www.pdc.wa.gov/filers/forms.aspx> or call the PDC staff to request a blank form. The application should be submitted to the PDC along with the Personal Financial Affairs Statement that has been completed, except for the section covered by the reporting modification request.

A hearing will be scheduled to consider the request. It's best if the candidate attends the hearing, but his or her presence is not required. A modification may only be granted for one year or the duration of one campaign.

Reporting Options

All state executive and legislative candidates must register a campaign and select a reporting option. That choice will be guided by the amount of money a candidate intends to raise and spend on the campaign.

Regardless of which option outlined below is chosen, all candidates and political committees must keep accurate, detailed records and make these records available for public inspection during the eight days preceding the primary, general or special election in which they're participating.

Mini Reporting: This reporting option is only available to candidates who will raise and spend no more than \$5,000, in addition to the amount spent on their filing fee, and who will receive no more than \$500 from any one contributor other than themselves. Filing fees paid for by political party committees are also exempt from the \$500 contribution limit threshold. Candidates choosing mini reporting must file registration statements (the C-1 form) and keep records of their contributions and expenditures. However, they do not

need to file contribution and expenditure reports. A Personal Financial Affairs Statement (F-1) is required. See Mini Reporting Instructions.

Full Reporting: All candidates raising and spending over \$5,000 on their campaigns or who wish to receive more than \$500 from any contributor other than themselves must use the full reporting method. Full reporting filers will submit frequent, detailed reports of the contributions they receive (C-3 reports) and the expenditures they make (C-4 reports with various schedules). The C-4 itself is used to summarize the campaign's financial activity. A Personal Financial Affairs Statement (F-1) is also required.

Changing Reporting Options

From mini reporting to full reporting: The PDC realizes that candidates are not always able to accurately forecast campaign costs and may need to switch to a different reporting option. Changing from mini to full reporting requires the PDC staff's approval. So long as a completed application for changing options is received by the deadline, the application will be approved. For any election other than the general election, the deadline is 30 business days before the election. **August 31** is the deadline for the general election.

In order to change from one reporting option to another, a candidate must notify all opponents in writing of the change (certified mail is suggested) and send the following documents to the PDC's executive director:

- a statement that verifies you have notified each opposing candidate or committee in writing of your plan to change reporting options;
- an amended registration statement (PDC form C-1) indicating the new reporting option; and
- PDC forms C-3 and C-4 with relevant schedules and attachments disclosing all contributions and expenditures from the start of the campaign to the current date.

Filing these reports can take some time – don't wait until the last minute if you are going to change options.

If a candidate or political committee wishes to change from mini to full reporting and the completed application for changing options is received at the PDC's office on or before the deadline, the application will be approved by the executive director. Approval to change reporting options received after the deadline will **only be approved** under the following circumstances:

- The candidate had filed a registration and PDC staff failed to notify candidates of the ability to change options at least 2 weeks before the deadline;
- A write-in opponent has filed for office after the deadline;
- An independent expenditure is made in support of the applicant's opponent or in opposition to the applicant after the deadline;
- A candidate's opponent has been approved to change reporting options; or
- A political committee on one side of an election campaign or proposition has opposition who received approval to change reporting options.

From full reporting to mini reporting. If a candidate wishes to change from full to mini reporting, no prior PDC approval is necessary. Simply amend the candidate registration statement (PDC form C-1) indicating the new option. [See Key Reporting Dates.](#)

Bank Accounts




Any candidate that is going to accept contributions must open a campaign bank account. The candidate may choose to open the account at the start of the campaign or not until the first contribution has been received. Regardless of when the account is opened, the campaign registration will disclose which bank is going to be used. Use the same name for your campaign account as you use for the candidate's committee when registering the campaign with the PDC.

Obtain a tax ID # from the IRS before opening the campaign bank account.

Campaign accounts may be established in a bank, mutual savings bank, savings and loan association or credit union doing business in Washington State. Candidates seeking offices with single-county jurisdiction may only maintain one campaign checking account. Although candidates conducting campaigns in more than one county may establish a bank account in each county, it's not recommended that you do this because of the problems inherent in tracking and combining the activity of multiple accounts for the purpose of filing the campaign's disclosure reports.

When opening the account, you'll be asked to supply a **federal tax identification number**. The Internal Revenue Service issues tax ID numbers; applications are accepted online, by fax, or by mail.

According to information found at www.irs.gov, effective January 11, 2016, tax ID numbers are issued immediately to those who apply online.

-  Apply online at [http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-\(EIN\)-Online](http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online).
-  Fax a completed IRS SS-4¹ form to (859) 669-5760 or
-  Mail the completed SS-4¹ form to IRS, Attn: EIN Operation, Cincinnati, OH 45999.

The bank will report any interest earned on the campaign account to the IRS using the tax number you provide. Consult the IRS, your accountant or tax advisor regarding any tax liability or requirement to file a tax return. The PDC may not give tax-related advice or information. See page 58 for information about investing campaign funds.

Although not recommended by the PDC, a candidate who self-funds a campaign may choose not to open a campaign bank account. A candidate who does not open a campaign account and spends personal funds will have to make the check register and other personal bank account records available during the public inspection period as explained below.

Bank Deposits

Each monetary contribution received by the campaign must be deposited within five business days of receipt. That means your campaign can make a weekly deposit and be in compliance with the law. Receiving many contributions may make more frequent deposits advisable, however. (If no funds are received during a week, no deposits are necessary.)

Deposit each contribution within five (5) business days of receipt.

Each time you make a bank deposit, prepare a Cash Receipts Monetary Contributions Report (C-3). Through May of the election year, file your C-3 reports each time a C-4 report is filed. File C-3 reports weekly on Mondays, *beginning with the first Monday in June of the election year*. Once this weekly filing of C-3 reports starts, do NOT also send copies of the C-3 reports with your C-4 reports.

Public Inspection of Campaign Records

During the eight days preceding a primary, general or special election in which the candidate's name is on the ballot, the campaign's books of account showing all contributions received, expenditures made and outstanding debts must be current within one business day. They must also be open for public inspection by anyone who wants to see them. Campaign books must be available for inspection on weekdays beginning on the eighth day before the election (excluding legal holidays) **by appointment** between 8 a.m. and 8 p.m. at the location designated by the campaign on the registration statement (C-1). The inspection must be allowed within 24 hours of the time and day requested. When making the appointment, the requester must provide a name and phone number and then show photo identification before inspection begins. The treasurer or campaign representative may terminate the appointment and refuse inspection if the requester does not provide photo ID.

The PDC recommends that you review #10 on your C-1 shortly before the inspection period starts to ensure that the address and contact information is still

¹ Call 1-800-829-3676 to request IRS form SS-4.

A candidate, who self-funds the entire campaign and does not accept contributions from anyone else, may use his or her personal checking account for campaign activity. However, the check register and bank statement for the personal bank account must be made available for public inspection.

The "books of account" of the campaign must be current within one business day and be made available for public inspection. The only exception is the list of contributors who have given \$25 or less.

Campaign books include the checkbook register, bank statements, any ledgers, journals or lists identifying contributors (and the date and amount each has given), and accounting of any outstanding debts (including loans and orders placed but not yet paid). If these types of books are not kept, the campaign is expected to make available the documents that are customarily used to create these books of account; that is, the receipts, invoices, copies of contribution checks, notes or documents regarding orders placed or loans, etc.

If the campaign books are kept on computer, any person wanting to see the books must be given sufficient instruction to enable him or her to examine these books. The campaign is not required to make copies of its books, whether the books are kept on paper or in electronic form.

PDC Inquiries and Audits

PDC staff may contact your campaign advising that a report is missing or incomplete, asking for clarification of a report or requesting additional information. Please cooperate with these informal contacts and supply the requested information promptly.

Random audits of some campaigns may occur after each election. Some of these are in-depth and you will be asked to make available all your records, including receipts and other documentation. These audits are routine and we suggest you approach them matter-of-factly.

Audits also are conducted for cause because a complaint has been received or there is reason to believe disclosure reports are not accurate. If you are the subject of such an audit, be assured you will have every opportunity to explain your position.

Prohibitions and Restrictions

Washington State's campaign disclosure laws contain various prohibitions and restrictions. Other state and federal prohibitions known to PDC staff are included here as well.

Public Service Announcements [RCW 42.17A.575]

A state-elected official or municipal officer may not speak or appear in a public service announcement that is broadcast, shown, or distributed in any form whatsoever during the period beginning January 1st and continuing through the general election if the office holder is a candidate. If the office holder does not control the broadcast, showing, or distribution of a public service announcement in which he or she speaks or appears, then the officer holder must contractually limit the use of the public service announcement so as to comply with this restriction. Public service announcements that are part of the regular duties of the office that only mention or visually display the office, office seal, or logo and do not mention or visually display the name of the officer holder or a picture of the officer holder are permitted to air during the election year.



Concealment [RCW 42.17A.435]

All campaigns must accurately record and report the actual sources and amounts of contributions received as well as the true recipients and amounts of expenditures. It is a serious violation of the law to use a fictitious name, no name or substitute name in order to conceal the truth.

Persons Prohibited from Making Contributions [RCW 42.17A.405(12)]

The following entities may NOT give to candidates for state office, to a state official against whom recall charges have been filed or to a political committee expecting to make expenditures supporting the recall of the official:

- a corporation or business entity not doing business in Washington State*;
- a labor union with fewer than ten members who reside in Washington State; and
- a political committee that has not received, during the preceding 180 days, contributions of \$10 or more from at least ten Washington State registered voters.

[*By administrative rule, a corporation or business is "doing business in Washington state" if it conducts continuous or substantial activities in this state so that it acquires a legal obligation. For example: registering as a foreign corporation in Washington, operating one or more business locations in Washington, hiring employees to work in this state or purchasing supplies or services from other Washington businesses.]

Federal election law prohibits all candidates and political committees in this country from receiving contributions from foreign nationals (individuals with foreign citizenship, foreign corporations, other foreign business entities, etc.). However, persons having "green cards" may contribute to elections in the United States. (Contact the Federal Election Commission at 1-800-424-9530 for more information).

Federally chartered banks, corporations, unions, insurance companies and federal government contractors should consult their legal advisors to determine whether other state or federal statutes prohibit their making contributions.

According to Washington law, "No insurer or fraternal benefit society doing business in this state shall directly or indirectly pay or use, or offer, consent, or agree to pay or use any money or thing of value for or in aid of any candidate for the office of insurance commissioner; nor for reimbursement or indemnification of any person for money or property so used." (emphasis added) [RCW 48.30.110]

The U. S. Securities & Exchange Commission prohibits an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives or employees make a contribution to a public official of a government entity or candidate for such office who is or will be in a position to influence the award of advisory business. An adviser or any of its covered associates is also prohibited from soliciting or coordinating 1) contributions to an official of a government entity to which the investment adviser is seeking to provide investment advisory services, or 2) payments to a state or local political party committee where the investment adviser is providing or seeking to provide investment services to a government entity. [17 CFR Part 275]

Primary and General Contributions [RCW 42.17A.405; WAC 390-17-300]

Contributions for the primary and general elections need not be deposited in separate bank accounts, however they must be accounted for separately, so that campaign records reflect one aggregate contribution total for each contributor giving in the primary election as well as one aggregate contribution total for each contributor giving in the general election.

Contributors giving to legislative and state executive office candidates may make primary election contributions up to 30 days after the date of the primary if the state office candidate loses in the primary and the candidate's authorized committee has insufficient funds to pay primary debts outstanding as of the date of the primary. *This means that if you lose the primary election, you will only have an additional 30 days to solicit contributions to satisfy primary debt. Contributions received in excess of the sum needed to satisfy outstanding primary debts must be returned to the original contributors.*

If a candidate loses the primary election, or otherwise is not a candidate in the general election, all contributions attributed to general election limits must be returned to the contributors of the funds in an amount equal to the contributor's general election aggregate total.

December 31 is the last day a contributor, except the candidate, may make a general election contribution.

Spending General Election Contributions [RCW 42.17A.405; WAC 390-17-300]

Contributions from the candidate's personal funds or from a bona fide political party or caucus political committee may be spent at any time in the election cycle. Contributions tied to primary or general election limits are treated differently. It is a violation to spend any general election contribution for the primary election campaign, if to do so would cause the contributor of those general election funds to exceed the contribution limit for the primary election.

The simplest way to avoid spending general election contributions for the primary election is to keep the entire balance of general-designated contributions in the campaign account until the date of the primary election has passed. However, with careful accounting and record-keeping, a candidate may spend general-designated contributions on general election campaign expenses during the primary election without exceeding limits, provided that the goods and services purchased are not used in the candidate's primary election campaign.

For example, if a contributor (other than the candidate, a bona fide political party or caucus political committee) gives a legislative candidate \$1,500, the contributor has given \$1,000 for the primary and \$500 for the general election. The \$500 in general-designated contributions may ~~not~~ be kept on hand until the candidate wins the primary and moves on to the general election. Alternatively, the candidate may use the \$500 during the primary election to pre-pay for radio or TV airtime, signs, or other print political advertising that will be used only in the general election. (Other goods and services may qualify for pre-payment in this manner, so long as the candidate is prepared to document that the goods and services were not used for the primary election.) As discussed above, if the candidate loses in the primary or is otherwise not a candidate in the general election, the \$500 general election contribution must be returned to the contributor. If the candidate has spent the general election contribution and it is not possible to obtain a refund from the vendor, the candidate must use personal funds or contributions from a bona fide political party or caucus political committee to "cover" the refund owed to the contributor.

Legislative Session Freeze [RCW 42.17A.560]

No legislators, other state officials or their employees or agents may solicit or accept contributions for any state or local office candidate, to defray public office related expenses, or to retire a campaign debt during what is known as the "legislative session freeze period." The freeze period is in effect during the regular legislative session, the 30 days before the regular session and during any special session of the legislature.

This prohibition also means that **no pledges or payments of earlier pledges may be requested or received during the session freeze period.** Non-incumbent, newly elected state officers are not subject to the legislative session freeze period until they are sworn in to office.

"Last Minute" Contributions [RCW 42.17A.420]

During the 21 days before the general election, no candidate for statewide office, including State Supreme Court, may accept aggregate contributions of more than \$50,000 from any contributor eligible to give that much. Similarly, candidates for other offices may not accept contributions totaling more than \$5,000 from any eligible contributor during this three-week period. These limitations do not apply to contributions accepted from the state committee of a major political party or from a minor party.

Since most contributors are prohibited by limits from giving anywhere near \$5,000 or \$50,000 to a candidate, this 21-day restriction (which pre-dates Washington's contribution limits) pertains only to contributions from a candidate giving to his or her own campaign, from caucus political committees, and from party county central and legislative district committees.

The statutory language imposing the \$5,000/\$50,000 contribution limit has been interpreted by PDC to mean:

- A campaign loan received during the 21 days prior to the general is subject to the limit, as are any loan co-signers or guarantors (and by law each guarantor is considered as giving the full amount of the loan);

- A pledge in excess of the amounts allowed by the limit may NOT be made by a contributor or received or redeemed by a candidate during the 21 days prior to the general;
- A candidate or committee that receives a contribution in excess of the allowed amount may retain the maximum permitted by law so long as the excess amount is immediately returned to the contributor;
- The contribution limit applies to all forms of contributions, including monetary, in-kind, loans, pledges, etc., and any combination of them;
- Earmarked contributions given to an intermediary during the 21 days before the general for the benefit of a candidate or other committee may not exceed the applicable limit for the candidate or committee and must be combined with contributions from the same contributor given directly to the candidate or committee; and
- This 21 day pre-general election period begins at 12:01 a.m. PST on the third Tuesday before the general election held in November and ends at 11:59 p.m. PST on the Monday before the election.

Contributing to Others [RCW 42.17A.430]

No candidate or candidate's authorized committee is allowed to transfer campaign funds (or items or services purchased with campaign funds) to any other candidate or political committee, unless a candidate is legally transferring surplus funds to a bona fide political party or a caucus political committee. However, one candidate may reimburse another candidate or committee for his or her share of a documented and properly reported joint fund raising campaign expense. A candidate's campaign may also buy campaign-related goods and services from another candidate or political committee so long as the campaign pays the fair market value.

Personal Use of Contributions [RCW 42.17A.445]

Any expenditure of a candidate's campaign funds that is not directly related to the candidate's election campaign is a prohibited personal use of campaign funds. This means that campaign contributions may not be used to defray non-reimbursed public office related expenses, charitable donations, club memberships, newspaper subscriptions, constituent gifts and entertainment as well as other miscellaneous expenses that are not directly related to a candidate's campaign. (Public officials may establish a "Surplus Funds Account" to pay for non-reimbursed public office related expenses. See Surplus Funds Accounts on page 58.)

According to statute, campaign contributions may only be spent for the personal use of the candidate, the treasurer or other person associated with the campaign under the following circumstances:

- reimbursements to cover earnings lost as a result of campaigning, including reimbursements for loans taken out to cover lost earnings;
- reimbursements for services performed for the campaign;
- reimbursements for direct out-of-pocket campaign or post-election campaign expenses; and
- repayment of loans made by a person to the campaign. Repayment of loans made by the candidate to his or her campaign is subject to limit. See Candidate Loan Repayments on page 10.

Complete documentation of these types of payments must be submitted with the C-4 report showing the payment to the individual. Documentation of lost-earnings payments would include copies of pay stubs reflecting what the person would have been paid had he or she been working at his or her regular job.

Documentation of out-of-pocket expenses is either a detailed list of the date, vendor, purpose and amount of each expense, with actual receipts kept by the committee, or submission of copies of the receipts. No reimbursement of out-of-pocket expenses may be made to a person without a receipt being provided to the campaign.

When loans are received by the campaign, the treasurer must fill out Part 1 of Schedule L and submit this Schedule L with the C-3 report that shows the loan being deposited into the campaign account. When repayments of loans are made, that information is reported in Part 2 of the Schedule L. This Schedule L reporting, in addition to showing the expense on Schedule A, will suffice for reporting purposes (unless PDC requests more information).

Transmitting Contributions (Bundling) [RCW 42.17A.470]

Only an individual is permitted to collect contributions from others and transmit them to the intended recipient. Political committees, businesses, unions, and organizations (or people representing them) are prohibited from collecting contributions from various sources (commonly known as bundling) and delivering or transmitting those bundled contributions to a candidate or political committee.

With respect to the legal bundling undertaken by individuals, unless collected contributions are from the individual's employer, immediate family or an association to which the individual belongs, when delivering the contributions to the campaign, the individual must supply the following information to that campaign:

the individual's full name, street address, occupation, name of employer or, if self-employed, place of business and the same information for each person or entity for which a contribution is being transmitted.

Reimbursement for Contributions [RCW 42.17A.485]

No one may directly or indirectly reimburse another person or entity for a contribution to a candidate, political committee or political party.

Using Contributions for Different Office [RCW 42.17A.490]

A candidate who solicits contributions for one office may not use those contributions to seek a different office without first obtaining written approval from the persons or entities who donated the contributions. This is true whether a candidate registers for one office and then decides before the election to seek a different office, or whether the candidate wants to use funds left over after an election to seek a different office in a subsequent election. Even though written permission must be obtained in both circumstances, how the contributions being transferred to the new campaign are treated does vary.

Switching Offices Before the Election. If, for example, a candidate decides to run for the state senate after first registering and collecting money for a state house race, the candidate may not transfer contributions received for the house race to the senate campaign without first getting written approval from the contributors of the money remaining in the house campaign account as well as from donors of any remaining in-kind contributions (e.g., computers, copiers, etc.).

To identify the donors of the remaining funds, start with your most recent contribution, then the next most recent, etc., until you can attach names to all of the contributions remaining in the campaign you are ending. Contact all of these contributors. With their written approval, you may move their funds from the first campaign account to the new account. If someone does not send written approval, that contributor's donation may NOT be used for the new campaign and must be disposed of under one of the other permissible uses of surplus campaign funds, as discussed below.

Each contribution that is transferred from the first campaign to the new campaign is attributed to and counts against the contributor's limit for the office now being sought.

Left-Over Contributions. A candidate who wants to use surplus funds from a previous campaign to seek an office different from the one for which the donations were collected must also get written approval to do so. Use the first in, first out process described above for identifying whose contributions are left. Again, when written permission is not provided by a contributor, the contribution may not be used for the new campaign, but must be spent for one of the other purposes outlined under Surplus Campaign Funds discussed below.

NOTE: The instructions on this page do not apply to a candidate who wants to move federal campaign money to a state campaign. Candidates with federal campaign money should contact the FEC and PDC staff to discuss whether it may be moved to a state campaign.

When a candidate is transferring contributions left over from a previously completed election campaign to a new campaign for a different office, those contributions that are moved to the new campaign are NOT attributed to their sources, nor do they count against the contributor's limit for the new campaign. The funds are simply moved as a lump sum of surplus funds to the new account. There might be a succession of transfers to the new account, depending on when the campaign receives the written permission. On the C-3 report showing the deposit of the surplus money, simply note that surplus funds from a previous campaign are being deposited into the account with permission from the donors. (Keep these permission notices as part of the campaign records. Do not send copies of them to PDC unless requested by PDC to do so.)

Candidates who want to move funds from a Surplus Funds Account into a campaign account will also have to obtain written permission from the original contributors of the funds if the monies are to be used to seek an office different than the one which was sought at the time the contributions were given.

Surplus Campaign Funds [RCW 42.17A.430]

Surplus campaign funds -- those contributions given for an election that remain after the election and that are not needed to pay obligations from the election campaign -- may only be disposed of in one or more of the ways permitted by law. The options are:

- Returned to contributors, so long as the amount returned to a donor does not exceed the aggregate amount contributed. Refunds of contributions made by the candidate to his or her own campaign are subject to restriction. See Candidate Loan Repayments on the next page.
- Transferred without limit to a political party or legislative caucus committee;
- Held for use in a future campaign for election 1) to the same office last sought, or 2) to a different office, if the campaign obtains written permission from the contributors of the surplus to use their contributions to seek this different office.
- Transferred to the candidate's personal account as payment for earnings lost as a result of campaigning, so long as the lost earnings can be documented, the payment does not exceed what the candidate would have otherwise earned, and all payments are properly recorded and reported.
- Donated to a charitable organization registered as required by law with the Secretary of State's Office.
- Transmitted to the state treasurer for deposit in the general fund, the oral history, state library, and archives account under RCW 43.07.380, or the legislative international trade account under RCW 44.04.270, as specified by the candidate or political committee.
- Deposited into a separate Surplus Funds Account and then used to pay non-reimbursed public office related expenses or for any of the six purposes outlined above. See Surplus Funds Accounts on page 58.

Disbursement of surplus funds is reported as an expenditure on Schedule A to the C-4 report.

According to WAC 390-16-221, these disposal options also apply to the disposal of items purchased by the campaign. When campaign assets are disposed of, attach an explanation to the C-4 report. (For example, if a left-over computer was donated to the county party central committee, the explanation would include the date, the name of the recipient, the item's description and its fair market value.)

Ending a Campaign Before the Election is Held

Occasionally, a candidate will register a campaign with the PDC, accept contributions, and decide to end the campaign before the election is held. Follow these steps to dispose of remaining campaign funds when the campaign ends prematurely:

- Determine what contributions remain in the campaign account using the “first in, first out” method (i.e., starting with the most recent contributions received, determine which contributions remain unspent in the campaign account).
- Immediately return any unspent general election contributions if the campaign ends before the primary election date.
- Primary election contributions can be
 - returned to the contributor before the primary election date or
 - held in the campaign account until after the primary is held at which time they become surplus funds. Authorized uses of surplus funds can be found in the previous section.

A candidate who ends a campaign in order to start a campaign for a different office may not automatically transfer remaining campaign funds to the new campaign. See “Using Contributions for a Different Office” on page 8.

Candidate Loan Repayments [RCW 42.17A.445]

Candidates may donate an unlimited amount of monetary and in-kind contributions to their own campaigns (except during the 21 days before the general election). However, in order for a candidate's contribution to be eligible for repayment by the campaign, it must be recorded in a written loan agreement, designated for either the primary or general election and be properly reported as a loan on a Schedule L and on a C-3 report (or Part 1 of Schedule B to the C-4, if in-kind).

State law puts a lid on the amount a candidate may be repaid for personal loans made to his or her campaign: \$6,000 for the primary and \$6,000 for the general election. A candidate who loans his or her campaign committee an aggregate amount of \$6,000 or less per election may be repaid in full by the committee up to the amount loaned.

However, if a candidate loans his or her campaign over \$6,000 for the primary or over \$6,000 for the general, he or she may only be repaid a maximum of \$6,000 per election. Once an aggregate of \$6,000 per election has been repaid to the candidate for one or more loans made to the committee, no additional loan repayments may be made to the candidate for that election.

If a candidate makes documented out-of-pocket campaign expenditures and expects repayments (that is, he or she is not making an in-kind contribution), the campaign committee must repay the candidate within 21 days of the date the expenditure is made or the candidate will have made a loan to his or her committee. Repayment of this loan, when combined with the repayment of other loans, may not exceed an aggregate of \$6,000 per election. Undocumented out-of-pocket campaign expenditures by the candidate are in-kind contributions and are not eligible for repayment.

If a candidate uses a personal credit card to make a campaign purchase, the campaign must pay the candidate the full amount of the purchase within 21 days of the purchase or a loan or in-kind contribution to the campaign will have occurred.

Use of Public Agency Facilities [RCW 42.17A.555]

Elected and appointed officials as well as public employees are prohibited from using or authorizing the use of any facilities of a public office or agency, directly or indirectly, to assist a candidate's election campaign or to promote or oppose a ballot proposition. Public agency facilities include, but are not limited to, office stationery, postage, equipment, employees (during working hours), vehicles, office space, office publications and client lists.

The above restriction does not apply to:

- action taken at an open public meeting by members of an elected legislative body to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition so long as any required notice of the meeting includes the title and number of the ballot proposition, and members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of an opposing view;
- a statement by an elected official in support of or in opposition to any ballot proposition at any open press conference or in response to a specific inquiry;
- activities that are part of the normal and regular conduct of the office or agency. "Normal and regular" has been interpreted to mean those activities that are specifically authorized by law and are customary for the agency.

Anonymous Contributions [RCW 42.17A.220(4)]

Occasionally, campaigns receive funds from truly anonymous sources; that is, no one involved in the campaign knows who donated the money. Up to a point, the law allows campaigns to keep these anonymous contributions. Specifically, candidates may receive as much as \$300 or one percent of the total contributions received in a calendar year, whichever is greater.

If the limit is reached, the campaign may not use or spend any additional anonymous funds received. These excess dollars must be returned to the donors if they can be identified or forfeited to the state's general fund. If the contributors cannot be identified, immediately send a check to PDC payable to the State Treasurer in the amount of the overage, along with an explanation of the circumstances surrounding receipt of excess anonymous funds.



Campaigns may not use the anonymous contribution provision to avoid identifying contributors. Names of contributors who give a total of \$25 or less in the aggregate are not required to be listed on contribution reports. A private list identifying these donors and how much they've given to date must be kept by the campaign.

Contributions received in connection with a qualifying low-cost fund raiser are NOT considered anonymous donations and are not subject to the \$300 or 1% limit. See Qualifying Low Cost Fund Raisers on page 36.

Contributions From Out-of-State Committees [RCW 42.17A.250]

An out-of-state political committee, *including committees registered with the Federal Elections Commission*, not registered with PDC (that is, a PAC located in a state other than Washington organized for the purpose of supporting or opposing candidates or ballot propositions) that contributes to or spends more than \$50 on behalf of any Washington state, local or judicial candidate, ballot measure or political committee must file either a C-5 report no later than the 10th day of the month following any month in which the contribution or expenditure was made or register as an in-state committee and file contribution and expenditure reports within two weeks of spending. Whether the out-of-state committee files the C-5 or registers as an in-state committee depends on whether it satisfies the criteria set out in WAC 390-16-049.

Also note that out-of-state and federal PACs, like in-state political committees registered with PDC, must receive \$10 or more from at least 10 Washington state registered voters during the 180 days preceding any contribution they give to a state office candidate. If they do not meet this test, by law they are ineligible to give to candidates for legislative or statewide executive office.

[*Note: An out-of-state PAC that sponsors advertising that qualifies as an "independent expenditure" or an "electioneering communication" may have additional reporting requirements. See Independent Expenditures & Electioneering Communications on page 17.]

Expenditure Restriction [RCW 42.17A.240(8) and .425]

According to state law, no expenditure may legally be made unless it's authorized by the candidate or a person named on the candidate's C-1 registration. Campaign treasurers are also required to maintain a complete record of all expenditures, including obligations that have not yet been paid by the campaign. Further, the requirement to report all expenditures extends to outstanding debts. Each unpaid obligation must be reported as part of your C-4 filings, in Part 3 of Schedule B, if it is (or is estimated to be) more than \$250, or more than \$50 and it has been outstanding for over 30 days.

If the campaign makes expenditures of over \$50 in cash, rather than by check, be sure to obtain a receipt signed by the vendor and the treasurer or candidate and keep it as part of your records. PDC recommends that cash transactions be kept to a minimum.

Also see "Permissible Expenditures" on 46.

Monetary Contributions [RCW 42.17A.475]

All monetary contributions received from PACs, political parties and caucus political committees must be by written instrument (e.g., check, money order, cashier's check). Those from individuals, associations, unions or businesses must be by written instrument if the contribution is more than \$100.

Cash contributions must be deposited into the campaign bank account, and not spent directly or mingled with petty cash. Monetary contributions are required to be deposited into the campaign account within five business days of receipt.

Soliciting Government Employees [RCW 42.17A.565]

State and local elected officials (and their agents) may not knowingly solicit, directly or indirectly, a contribution to a candidate, political party or other political committee from an employee in the official's agency. For example, neither legislators nor their campaign committees may solicit political contributions from legislative employees.

The PDC has determined that an official who obtains a general, broadly-based mailing list from a vendor is not required to scrutinize that list for the names of employees in the official's agency prior to using it to solicit campaign contributions. For example, if an official obtains from the county elections office a list of persons who are frequent voters, the official could use this list to solicit contributions without being in violation of the law.

However, if a list were not broadly-based (for instance, it originates from the state employees union), the official would be in jeopardy of violating the law if he or she uses the list to solicit contributions and it contains the names of persons who are employed by the official's agency. Similarly, if an official intends to use the list of contributors to his or her last campaign to solicit funds and is aware (or has reason to believe) that this list includes names of current agency employees, the names of employees known to the official must be removed before the mailing goes out.

Charging for Endorsement or Media Coverage [RCW 42.17A.480]

No person may solicit a candidate, political committee, political party or other person for money in exchange for an endorsement or an article in the news media supporting or opposing a candidate, committee or party.

Political Advertising

"Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support in any election campaign. [RCW 42.17A.005(36)]

Mass communication: a message intended to reach a large audience through any of the methods described above as well as periodicals, sample ballots, web sites, e-mails, text messages, social media, and other online or electronic formats enabling the exchange of communication.

Sending 100 or more identical or substantially similar letters, e-mails or text messages to specific recipients within a 30-day period is an example of mass communication.

Political advertising does not include letters to the editor, news or feature articles, editorial comment or replies to editorials in a regularly published newspaper, periodical, or on a radio or television broadcast where payment for the printed space or broadcast time is not normally required. [WAC 390-05-290]

It is likely that any communication (whether written, audio, video or distributed via the Internet) produced and/or distributed in conjunction with your campaign is probably subject to the requirements governing political advertising.

All political advertising regarding candidates for partisan office must identify the candidate's party preference and most ads must identify the ad's sponsor. See below for details.

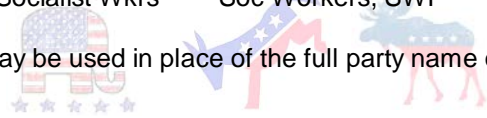
Political Party Preference

All political ads supporting or opposing a candidate for partisan office are required to identify the candidate's party preference. This rule applies whether the sponsor is a candidate, a candidate's committee, another political committee, an individual, or an organization or other type of entity, acting with the knowledge of, or independent of, the candidate. Abbreviations for many party names have been approved by the PDC and may be used in lieu of fully spelling out the party name. The abbreviations are:

<u>POLITICAL PARTY NAME</u>	<u>ABBREVIATION</u>
Citizens	CIT
Constitution	CP
Independent	Ind, Indep
Progressive	P, PP, Prog

<u>POLITICAL PARTY NAME</u>	<u>ABBREVIATION</u>
Communist	Com
Democratic	D, Dem, Demo
Libertarian	L, LP, LBT, LBTN
Republican	GOP, R, Repub, Rep

Official symbols or logos adopted by state party committees may be used in place of the full party name or abbreviation to denote the candidate's party preference.



Sponsor Identification*

The sponsor of a political ad -- the candidate, committee or other person paying for the ad -- usually must be identified. If a person acts as an agent for someone else or is reimbursed for the funds actually used to pay for the ad, the original source of the payment (or the person doing the reimbursing) is the sponsor. It's illegal to use an assumed name when identifying an ad's sponsor.

However, if one or more persons purchase advertising supporting a candidate (or opposing that candidate's opponent) after consulting with or receiving the approval of the candidate, the candidate's campaign or agent, then the advertising is an in-kind contribution to the campaign and the sponsor may be identified as either the person(s) who purchased the ad or the candidate or the candidate's campaign. The candidate must report the in-kind contribution on Schedule B to the C-4.

Some items are considered too impractical to show the sponsor ID. A list of those items is provided on the next page.

Written ads: In print ads (newspaper display ads, flyers, brochures, letters, etc.) and websites, to identify the sponsor use the words "Paid for by" or "Sponsored by" followed by the name and full mailing address (through zip code) of the sponsor(s). Treasurer's name is not required. Identification on an envelope used only for mailing purposes is optional, but is not sufficient to meet the sponsor ID requirement. The ad enclosed in the envelope must be properly identified.

Small online ads with limited Characters: may display sponsor ID & party preference in an automatic display such as a mouse tip/rollover or non-blockable pop-up that remains visible for at least 4 seconds or on a webpage that is conspicuously linked to the small ad and reached with one mouse click.

Broadcast ads: In broadcast ads (radio, TV, videos and online ads), identify the sponsor by using the words "Paid for by" or "Sponsored by" followed by the name of the person or group paying for the ad. No address is required. Both the sponsor ID and candidate's party preference must be clearly spoken.

If the sponsor is:

a candidate, show the name and address of the candidate or the candidate's committee (No address if broadcast ad);

a political committee,* show the name and address of the committee (No address if broadcast ad; treasurer's name is not required);

an organization or business,* show the name and address of the organization or business (No address if broadcast ad; treasurer's name is not required);

more than one person or group,* show the name and address of each sponsor. (No address if broadcast ad.) If one person pays for printing and another person pays for mailing, list both as sponsors.

If a person contributes cash, goods or services to the campaign in order to assist in paying for an ad, it is not necessary to show this contributor's name as a sponsor, provided the contribution is properly reported. The candidate or the candidate's committee must be identified as the sponsor, however.

***NOTE: Advertising that qualifies as an "independent expenditure" or an "electioneering communication" is subject to different sponsor ID requirements, unless the sponsor is a political party. See Independent Expenditures & Electioneering Communications on page 17.]**

Sponsor Identification – Size & Placement

Print ads and websites —display sponsor ID and any party preference in an area set apart from the ad text on the first page of the ad. Use at least 10-point type; do not screen or half-tone the text.

Exceptions —

Billboards and posters: Use type that is at least 10% of the largest size type used in the ad.

Small online ads with limited characters: Display sponsor ID in an automatic display such as a mouse tip/rollover or nonblockable pop-up that remains visible for at least 4 seconds OR on a webpage that is conspicuously linked to the small ad and reached with one mouse click.

Broadcast ads, videos, and online audio ads—Clearly speak the sponsor's name and any party preference. (Sponsor's address not required).

Items Exempt From Sponsor ID

Some advertising items, like yard signs which are 8' x 4' or smaller (32 sq. feet), need not include the sponsor identification. Other items exempt from sponsor ID are:

badges & badge holders
balloons
bingo chips
brushes
bumper stickers (4" x 15" or smaller)
business cards
buttons
cigarette lighters
clothing
coasters
combs
cups
emery boards
envelopes
erasers
frisbees
glasses
golf balls & tees
hand-held signs
hats
ice scrapers
key rings
knives
labels
letter openers



matchbooks
nail clippers & files
newspaper ads (one column inch or smaller)
noisemakers
official state or local voter pamphlets
paper & plastic cups and plates
paper weights
pencils
pendants
pens
pinwheels
pocket protectors
reader boards with moveable letters
ribbons
rulers (12" or smaller)
shoe horns
skywriting
stickers (2-3/4" or 1" or smaller)
sun glasses
sun visors
swizzle sticks
tickets to fund raisers
water towers
whistles
yard signs (8' x 4' or smaller)
yo-yos
all similar items



The sponsor's name & address may be left off of a political ad that meets all of the following criteria:

- the sponsor is an individual acting on his or her own behalf, independent of any candidate, political committee or organization, who personally produces and distributes the ad (or pays for it to be produced and/or distributed);
- the sponsor receives no contributions or other support to produce and distribute the ad;
- no more than \$50 in the aggregate is spent for online advertising or \$100 in the aggregate for any other type of advertising; and
- the advertising is EITHER distributed through the individual's social media site, personal website, or similar online forum where information is produced and disseminated only by the individual OR a letter, flier, handbill, text or e-mail from the individual that does not appear in a newspaper or comparable mass publication.

Content of Advertising

There are some additional rules to follow when composing political advertising:

- If candidate **photos** are used in any ad, the largest one must have been taken in the last five years.
- Use these words to **describe a candidate**:
 - “**Incumbent**” means a person who now holds an elected office;
 - “**Re-elect**” represents that the candidate is presently holding the office being sought, was elected to it and is seeking another term in that same office.
 - The term “**re-elect**” may be used in a political ad by a non-incumbent who has previously been elected to the office being sought provided that it is clearly stated in the same ad that the candidate is not the incumbent;
 - “**Retain**” represents that the candidate is the incumbent, but does not imply that the candidate obtained the position by election;
 - “**Return**” represents that the candidate now holds, or has previously held, the office being sought but not necessarily by election.

State law does not require candidates to identify the office or position they are seeking in their advertising.

Sign Placement

The Washington State Department of Transportation regulates when and where campaign signs can be placed along Interstate highways, primary highways, and highways that are part of the Scenic and Recreational system. See WSDOT’s letter to candidates at the end of this manual. Check with your city’s or county’s public works departments for regulations governing campaign signs in those jurisdictions.



False Political Advertising

It is illegal to sponsor an ad, with actual malice, that contains a statement constituting libel or defamation per se¹

if:

- it is a false statement of material fact about a candidate for public office (unless a candidate is making a statement about him or herself or if the statement is made by the candidate’s agent about the candidate)²,
- it falsely represents that a candidate is an incumbent³, or
- it directly or indirectly implies a candidate has the support or endorsement of any person or organization when the candidates does not (unless the statement is made by the person or organization)¹.

¹ “Libel or defamation per se” are statements that tend

- to expose a living person to hatred, contempt, ridicule, or obloquy [censure, blame, or abusive language aimed at a person or thing, especially by numerous persons or by the general public; discredit, disgrace, or bad repute resulting from public blame, abuse, or denunciation] , or to deprive the person of the benefit of public confidence or social intercourse;
- or to injure any person, corporation, or association in his, her, or its business or occupation.

² A false statement of material fact exposes the candidate to contempt, ridicule, or reproach and can deprive the candidate of the benefit of public confidence, or prejudice him or her in his or her profession, trade, or vocation.

³ A statement falsely representing that a candidate is the incumbent for the office sought deprives the actual incumbent and the candidates of the benefit of public confidence and injures the actual incumbent in the ability to effectively serve as an elected official.

It is also illegal to:

- distribute campaign material that is deceptively similar in design or appearance to the voters and candidates' pamphlets published by the Secretary of State,
- Use the state seal or its likeness to assist or defeat any candidate for elective office, or
- Use an assumed name when identifying the sponsor.

Political Advertising Check List

- ☐ *Proper sponsor ID*
- ☐ *Candidate's party preference included, when necessary*
- ☐ *Correct use of "Incumbent," "Re-Elect," "Retain," or "Return"*
- ☐ *Claimed or implied endorsements are accurate*
- ☐ *Truthful statements*
- ☐ *Largest photo of the candidate was taken within the last five years*
- ☐ *Ad is not deceptively similar to official voters pamphlet*

¹ A false claim of endorsement deprives the person or organization of the benefit of public confidence and/or will expose the person or organization to contempt, ridicule, or reproach, or injure the person or organization in their business or occupation.

Independent Expenditures & Electioneering Communications

Independent expenditures and expenditures for electioneering communications are important because they are a constitutionally protected form of speech and may not be subject to limit, unlike contributions. Therefore, as long as an expenditure does not constitute a "contribution," the person making it is free to spend as much or as little as he or she likes.

Definition of Independent Expenditure. For most applications in the disclosure law, an independent expenditure is defined to be expenditure for political advertising that:

- costs at least \$1,050 (either alone or in conjunction with other ads by the same sponsor benefiting the same candidate);
- supports or opposes a clearly identified candidate for state or local office;
- is paid for by someone other than a candidate, a candidate's committee or agent; and
- is paid for by some individual or entity who undertakes the advertising without having received the benefiting candidate's encouragement or approval or without collaborating with this candidate or the candidate's agent.

Definition of Electioneering Communication. Advertising must have all of the following four characteristics in order to qualify as an electioneering communication:

- The communication clearly identifies at least one candidate for state, local, or judicial office;
- appears within 60 days of an election in the candidate's jurisdiction;
- in one or more of the following media – radio, television, postal mailing, billboard, newspaper, or periodical; and
- either alone, or in combination with other communications by the sponsor identifying the candidate, has a fair market value of \$1,000 or more.

Be aware that if expenditure meets the legal definition of "contribution," it is subject to limit and it is not considered an independent expenditure or an electioneering communication. The definition of "contribution" is found in RCW 42.17A.005 and WAC 390-05-210. For this discussion of independent expenditures, it is particularly important to keep in mind that a contribution includes:

- an expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, the candidate's authorized committee or their agents; or
- paying to disseminate, distribute, or republish -- partially or completely -- a political ad prepared by a candidate, the candidate's authorized committee or other agent, regardless of whether the ad is written, broadcast or in some other form.

A person may perform ministerial functions for a candidate and a political committee without jeopardizing the political committee's eligibility to make independent expenditures or electioneering communications regarding that candidate as long as:

- The person performs solely ministerial functions for both the candidate and the political committee;
- The person is identified on both the candidate's and political committee's registration statements as a person performing ministerial functions for the campaign; and
- The person does not share information from or about one of the campaigns with the other campaign, or does not use information from or about one of the campaigns to assist the other campaign.

Ministerial functions are activities carried out as part of the duties of an administrative office without exercise of personal judgment or discretion. Typically, persons performing ministerial functions may, under the supervision of a candidate or committee officer, file PDC reports, make deposits, pay bills, and maintain campaign finance records. However, if a person performs functions for both a candidate and a political committee and those functions for one or both campaigns entail duties beyond those deemed ministerial, any expenditure by the committee benefitting the candidate may be a contribution rather than an independent expenditure or electioneering communication.

In summary, if a candidate wants to avoid compromising someone's ability to make independent expenditures or electioneering communications, neither the candidate, the candidate's committee, nor an agent of the committee may:

- Give the person encouragement, approval or direction regarding an expenditure supporting the candidate or opposing the candidate's opponent;
- Collaborate or coordinate with the person regarding an expenditure that supports the candidate or opposes the candidate's opponent;
- Provide the person with information about the candidate's plans, projects or needs prior to an expenditure supporting the candidate or opposing the candidate's opponent being made; or
- Assist a political committee with fundraising when it is known that the committee will sponsor an independent expenditure or electioneering communication that benefits the candidate.

[For more information, see RCW 42.17A.005(13), (19), (26), and (33), WAC 390-16-313, and WACs 390-05-243 and 390-05-210.]

Sponsor ID. All political advertising undertaken as an independent expenditure or an electioneering communication by any person or entity other than a party organization must include the following statement on the advertising:

"No candidate authorized this ad. It is paid for by (name, address, city, state.)"

In addition, if the ad is sponsored by a caucus political committee, a PAC or other political committee (except a party organization), the following must also appear:

- "Top Five Contributors" followed by a list of the names of the five persons or entities making the largest contributions in excess of \$700 to the committee during the 12 months before the ad runs. If a political committee keeps records tracking contributions according to the use intended by contributors, and subsequently makes independent expenditures supporting or opposing a candidate, that committee may identify the top five contributors giving for that purpose; AND
- The full name of the individual or entity that established or directly maintains or controls the sponsoring committee (or indirectly maintains or controls the sponsoring committee through the formation of one or more political committees).

These sponsor ID/controlling entity/individual and "Top 5" contributors messages must also comply with the ID size and placement standards discussed above.

For radio ads, the following statement must be clearly spoken, or for television ads, appear in print and be visible for at least four seconds, appear in letters greater than 4% of the visual screen height, and have a reasonable color contrast with the background: *"No candidate authorized this ad. Paid for by (name, city, state)."* In addition, top five contributor information, as discussed above, is necessary if the ad is sponsored by a political committee required to file with the PDC.

If independent expenditure advertising is in the form of yard signs, bumper stickers, skywriting or other items exempt from sponsor ID, these ads are also exempt from the Notice to Voters and Top Five Contributors requirements.

Party Preference. The candidates party preference must be clearly spoken in all broadcast ads.

Reporting. Independent expenditures (IEs) made by PACs, political parties and caucus political committees are reported by these spenders as part of their regular, periodic C-4 reports. All of these political committees are required to answer a question on their C-4 forms regarding whether or not the report being filed includes any IEs. Expenditures made for electioneering communications by PACs, political parties, and caucus political committees are also reported on the C-4 report. If an advertising expense qualifies both as an independent expenditure and an electioneering communication, it must be reported as an electioneering communication. Please read the following "C-6 Reports" section to determine when additional reporting is required for sponsors of independent expenditures and electioneering communication.

C-6 Reports: The purpose of an independent expenditure as well as its amount determines when the C-6 report must be filed. The next three paragraphs explain the different events that would trigger a C-6 report and when the report is due:

Individuals, unions, businesses, associations and other entities who do not report to the PDC and who make independent expenditures of \$100 or more supporting or opposing a candidate or ballot measure must file a C-6 report with PDC. The first report is due within 5 days of when the expense is made. This C-6 report may be electronically filed. If subsequent IEs are made, additional reports are required on the same dates that C-4 reports are filed.

Persons sponsoring independent expenditure political ads valued at \$1,000 or more that are mailed or otherwise presented to the public within twenty-one days of a primary, general or special election are required to file a C-6 report within 24 hours of, or on the first working day after, the date the advertisement was first mailed or otherwise presented to the public. This C-6 report may be electronically filed. Additional independent expenditures of any amount following the expenditure listed on the initial filing must be reported within 24 hours. A political committee who sponsors independent expenditure ads reports the expenditures on a C-6 form as well as a C-4 or C-5 report.

All electioneering communications must be reported on a C-6 report electronically filed within 24 hours of, or the first working day after, the communication was first broadcast, mailed, erected, or published. A political committee who makes expenditures for electioneering communications reports the expenditures on a C-6 form as well as a C-4 or C-5 report.

L-2 Reports: If a lobbyist or lobbyist employer sponsors political advertising supporting or opposing a candidate or ballot measure, whether the ad constitutes a contribution, independent expenditure, or electioneering communication, the amount paid for the advertising must be reported by the lobbyist on his or her monthly L-2 lobbying report. This L-2 reporting is in addition to the required C-6 filing.

C-7 Reports: Any business, union, association, organization or other entity -- except a lobbyist employer that files an L-3 report or a political committee that files C-4 reports -- making independent expenditures during a calendar year that total over \$1,050 supporting or opposing state office candidates or statewide ballot measures must file a C-7 (Special Political Expenditures Report). The report is due by the last day of February of the year following the one in which the expenditures were incurred and is in addition to the C-6 filing requirements.

Part 2. Filing Campaign Reports

Register as a Candidate on a C-1

The registration must be filed within two weeks of becoming a candidate. A person becomes a candidate and subject to the disclosure law at the time he or she first:

- receives contributions;
- makes campaign-related expenditures;
- reserves space or purchases advertising to promote his or her candidacy;
- authorizes someone else to do any of these three activities on his or her behalf;
- states publicly that he or she is seeking office (even if the candidacy is conditioned on some future occurrence, like receiving endorsements or raising a certain amount of money); or
- officially files for office.

File the C-1 with the PDC.

You do not need to file the C-1 with your county's elections officer.

File the C-1 by mail, electronically, or in person. E-file or find forms under *Filer Resources* at www.pdc.wa.gov.

The C-1 registration form and an F-1 (Personal Financial Affairs Statement) must be filed within two weeks of becoming a candidate.¹¹ Both may be filed electronically, in person, or by mail. It is no longer necessary to file a copy of the C-1 registration with the county elections officer. It is very common for persons to become candidates for purposes of campaign finance disclosure well before they officially file for office with the Secretary of State or local county elections officials in May. When the information on a C-1 changes, file an amended C-1 within ten days of when change(s) occurs.

Incumbents are required to file a new C-1 when they begin a new campaign by raising money, making expenditures for the upcoming election, reserving space or purchasing advertising to promote their candidacy, authorizing another to do one of these activities for them, publicly announcing their intention to run, or filing for office, whichever occurs first.

Candidates who use their own funds and do not accept campaign contributions from others must register a campaign, keep records, and file reports.

A candidate is limited to one authorized campaign committee, and contributions to this authorized committee are considered contributions to the candidate. A candidate may, however, also participate in a committee organized to support a slate of candidates and be a part of a joint fund raising effort. See Joint Fund Raising and State Committees on page 63.

Election Cycle

The C-1 registration is valid only for the election cycle for which it is filed. Technically, the election cycle begins on January 1 after the last general election for the office being sought. Practically, it begins on the day the individual becomes a candidate. The cycle ends on December 31 after the general election for the office being sought. (A candidate who loses the primary election will likely finish the campaign, close the campaign's bank account, and file a final report before December 31.)

The duration of the election cycle is important because general election contributions may not be made after the cycle ends. Further, while most contributors have a per election limit, meaning one limit for the primary election and a separate limit for the general election, bona fide political party committees and caucus political committees have one limit for the election cycle and can give contributions any time during the election cycle. For example, an individual may give \$1,000 to a legislative candidate for the primary election, and an additional \$1,000 for the

¹¹ An individual who filed an F-1 earlier in the calendar year is not required to file another F-1 in the same year s/he becomes a candidate. Only one F-1 per calendar year is required from any filer.

general election. However, the county central committee of a party may give \$.50 times the number of registered voters in the candidate's district (in conjunction with the legislative district committee) at any time during the election cycle. See Contribution Limits section for more details on limits.

Filling Out the C-1 Statement


Please type or print clearly using black ink when completing the C-1. (The reports are scanned into a document imaging system, and black reproduces clearly.)

State the candidate's first name, middle initial, and last name (as it will appear on the ballot). For example, John A. "Jack" Jones or Margaret C. "Maggie" Smith.

Identify the name of the candidate's authorized committee. For example, Jones for Senate Committee.

Show the campaign's full mailing address, including the nine digit zip, if known. At a minimum, give the first five digits of the zip code.

<u>Item No.</u>	<u>Description of Entry</u>
1	Show the office being sought, the district and position numbers and indicate whether the candidate currently holds the office being sought.
2	Specify the candidate's political party preference.
3	Give the date of the relevant general or special election.
4	Choose a reporting option after carefully noting the limitations that apply to mini reporting. Do not choose mini reporting unless the candidate intends to stay within the monetary limits <u>during the entire election cycle</u>.
5	Identify the campaign's treasurer, the person who will be responsible for receiving contributions, making expenditures and keeping accurate, detailed records. A candidate may be his or her own treasurer. (Candidates are ultimately responsible for the accuracy of their records and reports.) Include the treasurer's daytime telephone number. Do NOT use the telephone number of a government office.
6	List the name, address and title of any person who performs only ministerial functions for your campaign <u>and</u> another candidate or political committee. Ministerial functions are activities carried out as part of the duties of an administrative office without exercise of personal judgment or discretion. Typically, persons performing ministerial functions may, under the supervision of a candidate or committee officer, file PDC reports, make deposits, pay bills, and maintain campaign finance records.
7	List the name, address and title of your campaign officers (e.g., chairperson, vice-chair, manager, coordinator and other key people). By definition in rule, "officer" includes anyone designated by the campaign as an officer and any person who alone or in conjunction with other persons makes contribution, expenditure, strategic or policy decisions on behalf of the campaign.
8	Name the financial institution where your campaign account is kept, along with the branch office location and city.
9	If the candidate is affiliated with any joint fund raising committee or a committee organized to support a slate of candidates, give the name and address of the committee(s) and state the relationship.
10	During the eight days before each primary, general or special election in which the candidate is on the ballot or running as a write-in candidate, campaign books of account must be open for public inspection by appointment. Supply the street address and city for where your records may be examined and provide contact information for arranging appointments.
11	The Registration is not considered filed unless signed by the candidate.

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 30%;">  <p style="font-size: small;">711 CAPITOL WAY RM 206 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 Toll Free 1-877-601-2828</p> </div> <div style="width: 60%; text-align: center;"> <h2 style="margin: 0;">Candidate Registration</h2> </div> </div>		<h1 style="font-size: 48pt; margin: 0;">C1</h1> <p style="font-size: small;">(1/12)</p>	
Candidate's Name (Give candidate's full name.) John A. "Jack" Jones, Jr.		Telephone Number (509) 555-1313	
Candidate's Committee Name (Do not abbreviate.) Jones for Senate Committee		Fax Number (509) 555-1314	
Mailing Address 123 Miller Way		Candidate's E-Mail Address jjones@aol.com	
City Anyplace	County Grassland	Zip + 4 98000-0000	
Campaign E-Mail Address jack@jones4senate.com			
1. What office are you running for? Legislative District, County or City State Senate 50			
Position No. Do you now hold this office? 2 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
2. Political party (if partisan office) Independent		3. Date of general or special election November 20XX	
4. How much do you plan to spend during your entire election campaign, including the primary and general elections? Based on that estimate, choose one of the reporting options below. If no box is checked you are obligated to use Option II, Full Reporting. See instruction manuals for information about reports required and changing reporting options.			
<input type="checkbox"/> Option I MINI REPORTING: In addition to my filing fee of \$_____, I will raise and spend no more than \$5,000, including any charges for inclusion in state and local voters pamphlets. I will not accept more than \$500 in the aggregate from any contributor except myself.			
<input checked="" type="checkbox"/> Option II FULL REPORTING: I will use the Full Reporting system. I will file the frequent, detailed campaign reports required by law.			
5. Treasurer's Name and Address. Does treasurer perform <u>only</u> ministerial functions? Yes ___ No <u>X</u> . See WAC 390-05-243 and next page for details. List deputy treasurers on attached sheet. <input type="checkbox"/> Continued on attached sheet.		Daytime Telephone Number (509) 555-1113	
Michael Kennedy, 114 Miller Way, Anyplace, WA 98000-0000			
6. Persons who perform only ministerial functions on your behalf <u>and</u> on behalf of other candidates or political committees. List name, title and address of these persons. See WAC 390-05-243 and next page for details. <input type="checkbox"/> Continued on attached sheet.			
Louise Fargo 502 Main Street, Anyplace, WA 98000-0000 Betty Wells 819 Stevens Blvd., Anyplace, WA 98000-0000			
7. Committee Officers and other persons who authorize expenditures or make decisions on your behalf. List name, title and address. See next page for definition of "officer." <input type="checkbox"/> Continued on attached sheet.			
Carol Jean Jones, Manager 123 Miller Way, Anyplace, WA 98000-0000 George Anthony, Finance Chair 400 Main Street, Anyplace, WA 98000-0000 Karen Lynn, Volunteer Chair 42 Second Street, Anyplace, WA 98000-0000			
8. Campaign Bank or Depository Anyplace Savings & Loan	Branch Oak Creek Mall	City Anyplace	
9. Related or Affiliated Political Committees. List name, address and relationship. <input type="checkbox"/> Continued on attached sheet.			
People for Responsible Gov. P O Box 85, Anyplace, WA 98000 Sharing Advertising			
10. Campaign books must be open to the public by appointment between 8 a.m. and 8 p.m. during the eight days before the election, except Saturdays, Sundays, and legal holidays. In the space below, provide contact information for scheduling an appointment and the address where the inspection will take place. It is not acceptable to provide a post office box or an out-of-area address. Street Address, Room Number, City where campaign books will be available for inspection 123 Miller Way, Anyplace In order to make an appointment, contact the campaign at (telephone, fax, e-mail): (509) 555-1313			
11. CERTIFICATION: I certify that this report is true, complete and correct to the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div>Candidate's Signature</div> <div>Date</div> </div>			

Monetary and In-Kind Contributions

The law requires that all contributions to the candidate or his or her campaign are subject to the contributor's limit and must be reported by the candidate's committee. This section is devoted to discussing what a contribution is (and is not), explaining fund raising activities and also giving details on contribution record keeping and reporting. **Candidates and their treasurers are urged to call PDC at (360) 753-1111 for help.**

Definition

The term "contribution" is defined very broadly and not only encompasses money, but also the vast majority of items and services that will assist a candidate in getting elected. "Contribution" includes:

- a loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;
- an expenditure made by an individual, business, union, PAC, political party or other entity in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, political committee, or their agents;
- payments made by an individual, business, union, PAC, political party or other entity to disseminate, distribute or republish, in whole or in part, any broadcast, written, graphic, or other form of political advertising prepared by a candidate, a political committee, or their agents; or
- services, property or rights furnished at less than their fair market value.

Dollars received from the sale of tickets to fund raising events such as dinners, concerts, parties and the like are contributions. The purchaser of the tickets is the contributor, even if the tickets are given to others. When determining the amount of the contribution received from buyers of fund raiser tickets, the campaign may deduct the cost of consumables from the ticket purchase price. "Consumables" includes food, beverages, preparation, catering or entertainment furnished at the event.

Note that this ability to deduct for the cost of consumables may not be construed in a way that undermines contribution limits. For example, if five persons were each to pay one-fifth of the full cost of holding an event for a candidate, part of their in-kind contribution to the candidate would include the amounts paid for the consumables furnished at the event and this in-kind contribution counts against each contributor's limit.

In order to avoid having these in-kind contributions count against each contributor's limit, it might be tempting to a candidate's campaign to organize an event and then have these five persons buy all of the tickets and use the consumables deduction to reduce the amount of the actual contribution from each. This approach would allow the contributors to be the defacto hosts of the event without showing the full value of the contribution made.

However, this result is not consistent with contribution limits nor with the intent of the consumables deduction. **As such, each purchaser of fundraiser tickets to a candidate's event is allowed one per-person deduction for the cost of consumables, regardless of how many tickets are purchased.** The candidate's committee could still ask table captains to be responsible for selling, for example, ten tickets to an event. But, each ticket would have to be purchased by a separate contributor in order for the campaign to deduct the pro-rated share of consumables from every ticket sold. (If the table captain is actually going to collect money on behalf of the campaign, he or she needs to be a deputy treasurer. The table captain would not have to be a deputy treasurer if he or she only is responsible for finding purchasers who then buy their tickets directly from the campaign.)

See the discussion on Deducting Cost of Consumables on page 62 for information on how to calculate the deduction and report this activity.

The record keeping associated with a fund raiser may be greatly reduced if the event qualifies as a Low-Cost Fund Raiser. See page 36 for further information. Note, if you're holding a low-cost fund raiser, you would not also deduct for the cost of consumables.

Contributions, other than money, have a dollar value equivalent to the fair market value of the item. If services or items are provided to a campaign and the campaign pays less than the fair market value of the service or item, an in-kind contribution has been received by the candidate. See "Valuing In-Kind Contributions" on page 43.

What is Not a Contribution

The following activities are NOT considered contributions to a candidate or the candidate's campaign. They are neither reportable as contributions nor do they count towards the donor's limit.

- A contribution that is returned to the contributor within five business days of receipt.
- Ordinary home hospitality, including coffee hours, cocktail parties, wine and cheese parties and similar gatherings where the purpose is to meet the candidate or organize a campaign and where no admission fee is charged or contributions expected from those attending.
- Personal services of the kind commonly performed by volunteers so long as no volunteer is being compensated by anyone in connection with his or her volunteer activity (see Volunteer Services).
- Incidental expenditures by volunteers of \$50 or less in the aggregate for the duration of the campaign. If this limit is exceeded, the entire amount is reported as an in-kind contribution and subsequent expenditures by the volunteer would be disclosed on future reports as additional contributions.
- A news item, feature, commentary or editorial in a regularly scheduled news medium that is 1) of primary interest to the general public, 2) controlled by a person whose business is that news medium, and 3) not controlled by a candidate or a political committee.
- Internal political communications from 1) a political party organization or PAC primarily to its contributors or members; 2) a corporation or similar enterprise primarily to its officers, management staff and stockholders; or 3) a union, association or other membership organization primarily to its members.
- Messages in the form of reader boards, banners, yard or window signs displayed on an individual's or entity's own property or property occupied by the individual or entity. However, if the individual or entity normally charges a fee to display a message, an in-kind contribution would occur if no fee or a reduced fee is charged for display of a political ad.
- Providing legal or accounting services if 1) the person or entity paying for the services is the regular employer of the person rendering the service, the attorney or accountant is self-employed or doing the work on his or her own time, and 2) the services are solely for the purpose of complying with state election or public disclosure laws.
- Standard interest earned on money deposited into the campaign account.

Everything else of value received by the candidate or the candidate's committee for use in the election campaign -- including discounts on items purchased or services rendered -- and any other type of expenditure by a person done in such a way that it constitutes a contribution to the candidate is subject to limit and must be recorded in the campaign records and included on the appropriate disclosure report.

Volunteer Services

As noted above in the definition of "contribution," personal services of the sort that are commonly performed by campaign volunteers are not considered contributions so long as the individual who performs one or more of these activities is not compensated by anyone for the services rendered.

This means that volunteers (who are not paid by anyone in connection with the volunteer tasks they perform) may do certain campaign work without the candidate having to report their services as in-kind contributions and count these contributions against the volunteer's limit. If an individual takes paid vacation or leave time that he or she has earned and uses the time to assist on a campaign, the individual is not considered "paid" for campaign work, and is eligible to perform volunteer activities (without accruing a contribution to the candidate).

The PDC has defined these commonly performed campaign services to include:

- Office staffing;
- Doorbell ringing or leaflet drops;
- Mail handling (folding, stuffing, sorting and postal preparation); processing emails to and from the campaigns;
- Political or fundraising event staffing;
- Telephone bank activity (conducting voter identification, surveys or polling, and get-out-the-vote campaigns);
- Construction and placement of yard signs, hand-held signs or in-door signs;
- Acting as a driver for the candidate or campaign staff;
- Scheduling campaign appointments and events;
- Transporting voters to polling places on election day;
- Preparing campaign disclosure reports and otherwise helping to ensure compliance with state election or public disclosure laws*;
- Campaign consulting and management services, polling and survey design, public relations and advertising (including online advertising), or fundraising performed by any individual, so long as the individual does not ordinarily charge a fee or receive compensation for providing the service; and
- Creating, designing, posting to and maintaining a candidate's or political committee's website or online forum, so long as the individual does not ordinarily charge a fee or receive compensation for providing the service;
- All similar activities as determined by the Commission. [WAC 390-17-405]

[*Attorneys or accountants, whether they are being paid by their employers or are on their own time, may provide their professional services 1) to a candidate in order to assist the candidate in complying with state election or PDC laws, or 2) to a bona fide political party or caucus political committee for any purpose. However, these professionals may not provide similar services to any other type of political committee without a contribution ensuing, unless the committee pays the fair market value of the services rendered.]

Contributions by the Candidate

The personal funds of a candidate contributed to his or her own campaign are not subject to any overall contribution limit, but may not exceed the respective \$5,000 or \$50,000 restriction imposed during the 21 days preceding the general election and discussed on page 7. Nevertheless, even though there is no limit on the amount a candidate may give his or her own campaign, there is a restriction on how much the candidate may be reimbursed by the campaign. See Candidate Loan Repayments on page 10.

Contributions to a candidate from his or her spouse are subject to the per election limit on contributions from individuals.

By administrative rule [WAC 390-17-305], the personal funds of a candidate are as follows:

- assets that the candidate has legal access to, or control over, and legal title to at the time he or she becomes a candidate;
- income from employment;
- dividends and proceeds from stocks and other investments;
- income from trusts, if the trusts were established before candidacy;
- income from trusts established from bequests, even if these trusts were established after candidacy;
- customarily received personal gifts;
- proceeds from lotteries and similar games of chance; and
- his or her portion of assets owned jointly with a spouse (and, if the candidate's financial interest is not specified, his or her share is considered to be one half of the value of the asset).

Gifts and loans received by the candidate that are in any way connected to his or her campaign, even remotely, are considered contributions from the original donor and are subject to limit.

The one exception is a written loan agreement entered into by the candidate with a commercial lending institution that is made in the ordinary course of business on the same terms regularly available to the general public, and that is not guaranteed or co-signed by anyone else. If a candidate's committee repays a commercial loan made to the candidate, that repayment may not exceed \$6,000 per election. A commercial loan to a candidate's committee is presumed to be guaranteed by the candidate and repayment by the committee may also not exceed \$6,000 per election. See Candidate Loan Repayments on page 10.

Contribution Limits

A state executive or legislative office candidate is prohibited from accepting aggregate contributions exceeding the following amounts:

Source of Contribution	To State Executive Candidates	To Legislative Candidates
Individual	\$2,000 ¹	\$1,000 ¹
Union or Business	2,000 ¹	1,000 ¹
Political Action Committee	2,000 ¹	1,000 ¹
State Party Central Committee	\$1/voter ²	\$1/voter ²
County Party Central Committee	.50/voter ³	.50/voter ⁴
Legislative District Committee	.50/voter ³	.50/voter ⁴
Minor Party Committee	\$1/voter ⁵	\$1/voter ⁵
Caucus Political Committee	\$1/voter ⁵	\$1/voter ⁵

- 1 This is a per election limit; each primary, general and special election is considered a separate election. This limit does not apply to the candidate using personal funds to give to his or her own campaign. The limit does apply to the candidate's spouse.

Donors giving to legislative and state executive office candidates may make primary election contributions up to 30 days after the date of the primary if the state office candidate loses in the primary and the candidate's authorized committee has insufficient funds to pay primary debts outstanding as of the date of the primary. Candidates who win the primary election may not accept primary election contributions after the primary. General election contributions must be made no later than December 31 of the election year.

During the 21 days before the general election, no candidate for legislative office may contribute to his or her own campaign more than \$5,000 in the aggregate, and no candidate for state executive office may contribute to his or her own campaign more than \$50,000 in the aggregate.

- 2 The limit amount of \$1.00 times the number of registered voters in the jurisdiction is for the entire election cycle. The election cycle is from January 1 after the last election for the office or the start of the candidate's campaign -- whichever is later -- through December 31 of the election year in which election is sought. Contributions must be made no later than December 31 of the election year.
- 3 During the election cycle (defined in #2 above), all county central committees and legislative district committees in the state share a combined limit to each candidate of \$.50 times the number of registered voters statewide as of the last general election. (However, during the 21 days before the general election, neither a county central committee nor a legislative district committee may give a state executive office candidate more than \$50,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.
- 4 County central and legislative district committees may only give to legislative candidates running for office in their jurisdictions. During the election cycle (defined in #2 above), a legislative district committee, in conjunction with all county central committees in that district, share a combined per candidate limit of \$.50 times the number of registered voters in the legislative district as of the last general election. (However, during the 21 days before the general, neither a county central committee nor a legislative district committee may give a legislative candidate more than \$5,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.
- 5 The limit amount is for the entire election cycle. The election cycle is from January 1 after the last election for the office or the start of the candidate's campaign -- whichever is later -- through December 31 of the year in which election is sought. (However, during the 21 days before the general, a caucus political committee may not give a state executive candidate more than \$50,000 in the aggregate or a legislative candidate more than \$5,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.

Earmarked Contributions

Sometimes contributors give money to political parties or other committees for spending on behalf of one or more candidates or committees. These types of donations are known as earmarked contributions. Earmarked contributions may not simply be passed along to the benefiting candidate; they must be spent by the committee to whom they were sent -- at least for the most part -- for the benefit of the intended recipient.

In the case of earmarked contributions, the "original contributor" is the person making the earmarked contribution. The "conduit" is the committee that is provided the funds by the original contributor for spending on behalf of a candidate or another committee. The "beneficiary" or "benefiting candidate" is the candidate or committee who ultimately benefits from the funds spent by the conduit.

An "earmarked contribution" is any contribution given to an intermediary or conduit -- either a political party, another type of political committee, a candidate or a third party -- with a designation, instruction, or encumbrance, whether direct or indirect, express or implied, oral or written, which is intended to result in or which does result in all or any part of the contribution being made to or for the promotion of a certain candidate, state official or ballot proposition.

An earmarked contribution counts against the original contributor's limit for the benefiting candidate. If the entire earmarked contribution is not spent by the intermediary or conduit for the benefit of the designated recipient, the remainder must be transferred to the recipient unless it is re-designated by the original contributor to another recipient. If the remainder is used to benefit another candidate or committee and the intermediary or conduit directed or had any control over the selection of this recipient, the amount of the remainder is a contribution from both the original contributor and the conduit.

Receipt of an earmarked contribution must be reported by the intermediary or conduit to both PDC and the benefiting candidate or committee within two days using form Special Report E.

If an earmarked contribution is refused by the benefiting candidate or committee, the earmarked contribution must be returned by the intermediary or conduit to the original contributor within five business days of the date the intermediary or conduit is notified of the refusal.

Benefiting candidates and committees will report earmarked contributions as follows:

On the first C-4 report due after receiving notice that an earmarked contribution has been received by the intermediary/conduit, report in Part 1 of Schedule B:

- the date you received notice of the earmarked contribution;
- the original contributor's name and address;
- the intermediary's name and address;
- the full amount received by the intermediary or conduit as an in-kind contribution;
- the aggregate contributed by the original contributor for the campaign; and
- the election for which the contribution was made.

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

SCHEDULE
TO C4

B

(1/04)

Candidate or Committee Name (Do not abbreviate. Use full name.)

John A. "Jack" Jones, Jr. (Jones for Senate)

Report Date

3/6/XX

1. IN KIND CONTRIBUTIONS RECEIVED (goods, services, discounts, etc.)

Date Received	Contributor's Name and Address	Description of Contribution	Fair Market Value	Aggregate Total	P R I	G E N	If more than \$100, Employer Name, City, State & Occup.
3/5/XX	Superior Roofing Service PO Box 88 Anyplace, WA	Cash donation Earmarked thru Independent Party	250	300	x		
							Occupation

On the first C-4 report filed after being notified by the intermediary/conduit that the actual amount spent was different from the amount originally reported as an in-kind contribution, file a Schedule C detailing the correction. If less was spent than originally reported, explain the correction and reduce the amount of the in-kind contribution in Parts 1 and 2 of Schedule C and on Lines 6 and 15 of the C-4. The correction must be included in both Parts 1 and 2 because an in-kind contribution is both a contribution and an expenditure.

If more was spent, show the amount of the increase and state what source(s) supplied the additional funds in Part 1 of Schedule C. Also include the correction amount in Part 2 and put the amount of the increase on Lines 6 and 15 of the C-4. (Note: The explanation may be an attachment and may consist of the notice received from the intermediary/conduit.)

Intermediaries or conduits will report earmarked contributions as follows:

Complete Special Report E and mail the original version of the report to PDC and a copy to the beneficiary within two days of receiving the earmarked contribution.

Notify the beneficiary of the actual amount spent as soon as practicable, hopefully no later than the end of month in which the election is held. If more funds than the amount donated by the original contributor were spent, be sure to inform the beneficiary of the source and amount of the additional dollars.

With the first C-4 report filed subsequent to the general election, file a recapitulation of earmarked funds received. For each earmarked contribution, include:

- the date it was received by the intermediary or conduit,
- the beneficiary's name,
- the total amount of the contribution, and
- the amount expended on behalf of the beneficiary.

Special Reports for Contributions of \$1,000 of More

During the seven days before the primary and the 21 days before the general election, candidates must file special reports of contributions they receive during that 7- or 21-day period from one source that is \$1,000 or more in the aggregate, whether cash or in-kind or a combination of the two. For example, if a candidate receives \$1,900 from one contributor during the 7 days before the primary, whether the amount came in one lump sum or two or more payments, a special report must be filed.

The special report discloses:

- the amount of the contribution(s);
- the date or dates received;
- the name and address of the donor; and
- the receiving campaign's name and address.

Candidates receiving one or more contributions from a single source totaling \$1,000 or more must deliver a written report to PDC within 48 hours of receiving the contribution, or the first working day thereafter if the 48th hour is a weekend or holiday. (All lobbyists, lobbyist employers, and political committees -- including PACs, parties and caucus committees -- that give contributions totaling \$1,000 or more are required to send the recipient and PDC a special report of the contribution within 24 hours. However, a candidate who receives \$1,000 or more from one source during the 7 days before the primary or 21 days before the general election must deliver its report to PDC within 48 hours even if the donor fails to report in a timely manner.)

Either file the C-3 within 48 hours or E-file a Last Minute Contributions report at <http://www.pdc.wa.gov/lmcapp/lmc/create>. Any contributions disclosed on an LMC report should also be reported on the appropriate C-3 and C-4 reports.

Keeping Records of Contributions

Treasurers will have to pay a lot of attention to keeping accurate and up-to-date contribution records. PDC recommends that state office campaigns use the free computer software provided by the PDC that allows easier handling of large volumes of data and automatic calculation of cumulative totals for contributors.

Whatever kind of contribution record keeping system is implemented, it must be able to provide separate contributor totals for primary election contributions and general election contributions. Since it's likely many donors will not specify or designate a contribution for a certain election, the PDC has approved the following course of action:

- if a contribution is designated in writing by the contributor for a specific election, the contribution will be attributed to the contributor's limit for that designated election;
- an undesignated contribution made prior to the date of a primary election shall be attributed to the contributor's limit for the primary election;
- any portion of an undesignated contribution made prior to the date of the primary that exceeds the contributor's primary limit must be attributed to the contributor's limit for the general election; and
- an undesignated contribution made after the date of the primary must be attributed to the contributor's limit for the general election.

Also, take care not to spend any general election contributions for the primary election campaign if to do so would cause the contributor of those general election funds to exceed the contribution limit for the primary election. That is, if a contributor (other than a bona fide political party or caucus political committee whose limits are based on an election cycle) has given the maximum in the primary and has also given donations for the general, this general election money may not be spent unless and until the candidate survives the primary and is a candidate in the general election. You are not required to put this general election money into a separate account, but you may wish to put it in a savings account so that it is not inadvertently spent until you know if the candidate will be running in the general election.

Contributions from political party organizations and caucus political committees: Contributions from party and caucus committees should not be attributed to either the primary or general election. These committees have an election cycle limit that controls how much they may give state office candidates.

Legislative campaigns must also keep in mind that they may only accept contributions from county and legislative district committees in their jurisdictions. (If a county or district committee represents an area that is not entitled to vote for a candidate, that committee may not give to the candidate.) Further, neither a legislative candidate nor a state executive office candidate may accept more than \$.50 per registered voter jointly from all county committees and legislative district committees in the candidate's jurisdiction. As with other limits, the candidate's treasurer will have to make sure this joint limit is not exceeded, especially since the committees involved will not necessarily communicate with each other before making contributions.

Occupation and Employer

Treasurers will also need to obtain occupation and employer information regarding some contributors. Specifically, if an individual gives the campaign more than \$100 in the aggregate since the beginning of the campaign -- counting all monetary and in-kind contributions given for the primary and the general by that person -- the campaign must report the individual's occupation as well as the name, city and state of the individual's employer. If that individual, after reaching the more than \$100 threshold, gives more donations to the campaign, the occupation and employer information will have to appear on each subsequent report that shows a contribution from that individual.

Failure to comply with this provision could result in enforcement and fines for the campaign!

Recording a Monetary Contribution

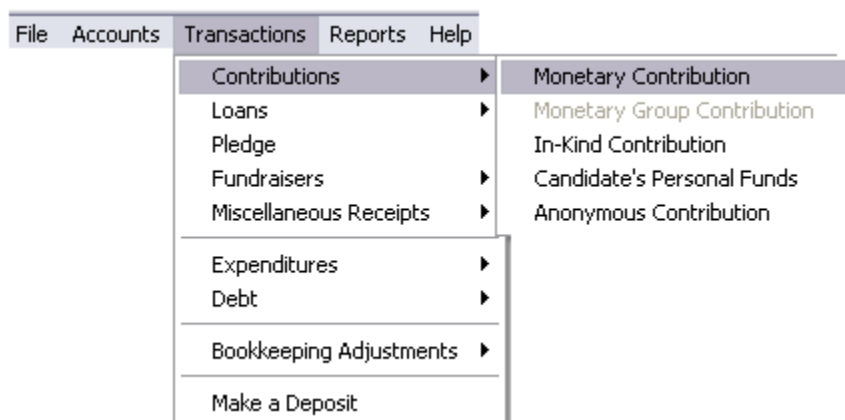
The campaign should keep following information for each contribution received:

- date contribution was received by the campaign;
- name, address, city, state and zip code of the contributor;
- amount of the contribution (or the value and description of an in-kind contribution);
- if the contributor is an individual who has given more than \$100 since the beginning of the campaign, give the individual's occupation and his or her employer's name, city and state;
- if the contributor is making a primary election contribution, show the total amount given for the primary; if it is a general election contribution, show the total given for the general election, including loans, pledges and other monetary and in-kind contributions received; and
- for contributions from a bona fide political party committee or a caucus political committee, show the total contributions received since the beginning of the campaign.

Monetary contributions must be deposited within five business days of when they are received.

See page 43 for an explanation of how to enter in-kind contributions.

Entering Monetary Contributions in the ORCA Software



All monetary contributions are uniformly entered in the ORCA software. When the C-3 report is generated/filed, small contributions of \$25 or less will not be itemized unless the *Always Itemize* box is checked in the ORCA software (see the example on the next page). State law does not require a contributor's name and address to be disclosed until the contributor has given more than \$25 in the aggregate. If the *Always Itemize* box is not checked, the number of small contributions deposited and the total dollar amount will appear on Line 1.e of the C-3 report instead of each contribution being listed separately.

Entering contributions is a two-step process the first time someone gives a contribution. The contribution itself is entered, plus information about the contributor:

Contributor Name
JOHN DONOR
Contribution Account
4000 - Monetary Contributions
Amount
\$900.00
Date
07/14/2012
Check No. (optional)
Election
Primary
☐ Always Itemize
Memo (optional)

1 of 1

OK Cancel

Prefix
First Name
JOHN
Middle
Last Name
DONOR
Suffix
Street
18 DONOR WAY
City
DONORVILLE
State
WA
Zip
99999
Phone (optional)
Email (optional)
Occupation
OWNER
Employer Name
DONOR OUTFITTERS
Street
City
COEUR D' ALENE
State
ID
Zip
Memo (optional)
volunteered to put up signs

The C-3 is generated by “making a deposit” in the ORCA software: Each deposit that the campaign makes is reported on a separate C-3 report.

FileAccountsTransactionsReportsHelp

Contributions
Loans
Pledge
Fundraisers
Miscellaneous Receipts
Expenditures
Debt
Bookkeeping Adjustments
Make a Deposit

Un-deposited Items

Contact	Type	Amount	Date
<input type="checkbox"/> PARK PLACE ...	Mo...	\$900.00	07/31/2012
<input type="checkbox"/> PARK PLACE ...	Mo...	\$600.00	07/31/2012


Bank Account
1000 - Bank Accounts
Date
07/14/2012
Deposited Items

Contact	Type	Amount	Date
<input type="checkbox"/> JOHN DONOR	Mo...	\$900.00	07/14/2012

Deposit Checked Items

Deposit Total: \$900.00
Memo (optional)

When making deposits in the ORCA software, make the sure the date in the top right corner is the date the money was deposited in the campaign’s bank account. See the example of the C-3 report on the next page generated from the deposit in the above example.



PDC staff recommends that campaign data files be backed up weekly!

The PDC cannot restore campaign data after a computer failure.

Candidate or Committee Name (Do not abbreviate. Use full name.)

JACK JONES (JONES FOR SENATE COMMITTEE)

Mailing Address

123 Miller Way

City

$$2p + 4$$

Anyplace

98000-0000

Office Sought (candidates)

STATE SENATOR

Election Date

2012

1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received	Amount	Total
a. Anonymous.....	\$0.00	\$0.00
b. Candidate's personal funds deposited in the bank (include candidate loans in 1c).....		
c. Loans, notes, security agreements. Attach Schedule L.....		
d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation.....		
e. Small contributions \$25.00 or less not itemized and number of persons giving..... (persons)		

2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100: Employer's Name, City and State	P R I N T	A M O U N T	Amount	Aggregate* Total
07/14/2012	JOHN DONOR 18 DONOR WAY DONORVILLE WA 99999	DONOR OUTFITTERS COEUR D' ALENE ID	X		\$900.00	\$900.00
		Occupation OWNER				
		Occupation				
		Occupation				
		Occupation				
		Occupation				
		Occupation				
		Occupation				
		Occupation				
		Sub-total			\$900.00	
		Amount from attached pages			\$0.00	

*See reverse for

3. TOTAL FUNDS RECEIVED AND DEPOSITED OR CREDITED TO ACCOUNT

Sum of carts 1 and 2 above. Enter this amount in line 1, Schedule A to C-1

\$900.00

^aSee reverse for details.

4. Date of Depcet

07/14/2012

Treasurer's Daytime Telephone No.: (509) 555-1313

I certify that this report is true and complete to the best of my knowledge

Treasurer's Signature

Delete

"Receipt" of Contributions

Occasionally, a campaign might have difficulty determining when a contribution is actually received. In order to help clarify when a contribution is received, the PDC adopted the following administrative rule.

"Receipt" of a campaign contribution occurs at the earliest of the following:

- the date that the candidate, treasurer, deputy treasurer, campaign manager, campaign chairperson or similarly situated campaign official obtains possession of the contribution, or
- the date that the candidate, treasurer, deputy treasurer, campaign manager, campaign chairperson or similarly situated campaign official is informed of the contribution, or becomes aware that the campaign, or in the case of an earmarked contribution, the intermediary or conduit, has possession of the contribution, or
- the date that the contribution becomes available for use by the candidate or committee.

Sources of Contributions

Candidates and treasurers who file disclosure reports listing their sources of contributions must often make decisions about whom to show as the contributor.

Contributors have the obligation to inform campaigns of the true and actual source of the donation at the time the contribution is made. However, in the absence of other information concerning a contribution's true source, follow the interpretations given below when keeping records, identifying your contributors on the C-3 report and when complying with the contribution limits.

One-Party Personal Checks. List the name printed on the top of the check as the contributor.

Joint Personal Account Checks. Attribute equal parts of the contribution to each of the names of the parties printed on the check, unless a written explanation to the contrary accompanies the contribution. (In the case of \$100 check drawn on the account of John and Mary Smith, attribute \$50 to John and \$50 to Mary. John and Mary each may contribute up to the maximum allowed by an individual.)

Checks Drawn on Sole-Proprietor Business Accounts. For contribution purposes, the owner of the business and the business entity are considered one and the same. The proprietor's aggregate contribution total must include donations from his/her personal funds as well as from the business.

Partnership Account Checks. List the partnership as the contributor, unless the contribution is to be paid from one or more of the partners' capital accounts, in which case the contribution is attributed to the partner or partners whose funds are being used. Written notice of this arrangement is to accompany the check.

Corporate Checks. Show the contribution as coming from the corporation whose name is printed on the check. If the corporation is affiliated for contribution limit purposes with another entity, all contributions from both the corporation and the other entity are added together to determine when the limit has been reached. Corporate subsidiaries share a contribution limit with their parent corporations; however, if the parent company does not participate in an election campaign regarding a candidate, then each subsidiary has its own limit [unless the subsidiaries are themselves affiliated pursuant to the factors set out in WAC 390-16-309(3)]. If the parent organization does not stay out of an election campaign regarding a candidate, then the parent and all of its subsidiaries share one contribution limit. A corporation always shares a limit with its PAC. See WAC 390-16-309.

Union, Association or Membership Organization Checks. Show the contribution as coming from the entity whose name is printed on the check. Local units of any organization -- including unions, associations, collective bargaining organizations, trade associations and other membership organizations -- share a contribution limit with the state and federal levels of their organizations. If neither the federal nor state level participates in an election campaign regarding a candidate, each local unit has its own contribution limit [unless the local units are themselves affiliated pursuant to the factors set out in WAC 390-16-309(3)]. If both the state and federal level do not stay out of an election campaign regarding a candidate, then the federal, state and local units all share one contribution limit. RCW 42.17A.455. A union, association, or other membership organization always shares a limit with its PAC.

PAC Checks. Show the political committee whose name is printed on the check as the contributor. A PAC established, financed, maintained or controlled by a corporation, union, association or any other type of entity shares a contribution limit with that entity. For example, a corporation and its PAC share one limit, as do a union

and its PAC.

Further, if a PAC receives all of its funds from one source (whether that source is an individual, an entity, a political committee or any group of persons) and this source exercises exclusive control over how the PAC funds are spent, the source shares a contribution limit with the PAC. [RCW 42.17A.455(1)]

Contributions From Minors. Contributions by unemancipated children, under eighteen years of age, are considered contributions by their parents and are attributed proportionately to each parent. In the case of a single custodial parent, the total amount of the contribution is attributed to the parent; otherwise, 50% of the contribution is attributed to each parent.

Contributions from emancipated children, under eighteen years of age, are considered contributions from the child if the decision to contribute is made knowingly and voluntarily by the child, the contribution is from a source owned and controlled exclusively by the child, and the contribution does not result from a gift intended to give the child the wherewithal to contribute.

Contributions of Uncertain Origin

Do not deposit any contribution, or accept any in-kind contribution, if you know or suspect it has been made in a fictitious name, or by one person through an agent, relative, political committee, or any other person so as to conceal the true source or to exceed the contribution limits. Return such a contribution within ten calendar days to the source, if known, or endorse the check and make it payable to the State Treasurer. Send the check to PDC, along with an explanation, for deposit in the state's general fund.

Loans

All loans, regardless of the source, received by the candidate or his/her campaign:

- must be by written agreement;
- are reported in Part 1 of Schedule L and, if monetary, on the C-3 report, or if in-kind, in Part 1 of Schedule B; and
- are subject to contribution limits as well as the restriction in place during the 21 days before the general election when all contributions from one source (including loans) may not exceed \$50,000 to a candidate for statewide office or \$5,000 to a legislative candidate, unless the contributor is the state committee of a bona fide political party.

There are also special circumstances that apply to certain types of loans.

Candidate Loans. Candidates may choose to make loans to their own campaigns from their own personal funds. The definition of "personal funds" is discussed in Contributions by the Candidate on page 25. The law says that the maximum amount the campaign may repay the candidate for all loans he or she makes to the campaign is \$6,000 for the primary election and \$6,000 for the general election. A candidate's primary election loan must be spent on the primary and a general election loan may only be used for general election expenses. *Repayment of a candidate's in-kind loans count against the \$6,000 repayment limit. See page 10 for more information.*

Commercial Loans. Loans to a candidate or candidate's committee from commercial lending institutions made in the regular course of business on the same terms ordinarily available to the public are considered loans to the candidate and are reported on the C-3 and Schedule L as coming from the candidate (not the lending institution). Persons who guarantee or co-sign such loans have made a contribution in the full amount of the loan. Repayment of commercial loans to a candidate or candidate's committee may not exceed \$6,000 per election.

Non-Commercial Loans. A loan from an individual, political committee, corporation, union or other entity that is received by the candidate or the campaign is a contribution to the campaign from the lender, and when combined with other contributions from that contributor, may not exceed the limit allowed by law. Persons who co-sign a loan have made a contribution in the full amount of the loan.

Regardless of the type of loan, the amount contributed by lenders and co-signers is reduced as their loans are repaid. Repayments are reported in Part 2 of the Schedule L and on the C-4 report. Information on reporting loan repayments is provided on page 52. See page 10 for information about in-kind loans.

Loan Disclosure

The following information must be reported for each loan received:

- the date the loan was received;
- the lender's name and address (and, if the loan is more than \$100, report the lender's occupation as well as name, city and state of the employer);
- if the loan is from the candidate or a contributor who has a per-election limit, show whether the loan is for the primary or the general election;
- the amount of the loan;
- the rate of interest charged (if any);
- the terms for repayment;
- the date by which the loan is to be repaid in full; and
- the names of any endorser, co-signer or loan guarantor.

Entering Monetary Loans in the ORCA Software

The screenshot shows the ORCA Software interface. On the left, the 'Transactions' menu is open, with 'Loans' selected. A sub-menu is visible with 'Cash Loan' and 'In-Kind Loan'. On the right, the 'Enter Loan' form is displayed. The form includes fields for Lender Name (JACK A JONES), Loan Amount (\$5,000.00), Date Received (07/10/2012), Election (Primary), Interest Rate, Due Date (12/31/2012), Check No. (optional), Repayment Schedule (As funds become available), and a checkbox for Carry Forward Loans. A Memo field is also present. At the bottom right, the Loan Balance is shown as \$5,000.00.

Once the loan is entered, the final step is to deposit it. The C-3 report resulting from the deposit will include a loan report (Schedule L).

The screenshot shows the C-3 report Schedule L. The title is 'LOANS' and 'SCHEDULE TO C3 OR C4'. The page number is 1. The Candidate or Committee Name is JACK JONES (JONES FOR SENATE COMMITTEE) and the Report Date is 07/10/2012. The section is titled '1. MONETARY OR IN-KIND LOAN RECEIVED. Loans are considered contributions and are subject to any applicable limit.' The table below shows the loan details:

Date Loaned	Lender's Name and Address	PRI	GEN	Amount of Loan	Annual Interest Rate	Repayment Schedule	Date Due
07/10/2012	JACK JONES JR 123 Miller Way Anyplace WA 98000-0000	X		\$5,000.00	0.0%	As funds become	12/31/2012

Below the table, there is a section for 'Name and Address of Each Loan Endorser, Co-Signer' with a similar PRI/GEN table. To the right of this section is the 'Aggregate Total' and a box for 'Lender's Occupation and Name, City & State of Employer' which contains the text: TEACHER, Anyplace School District, Anyplace WA, Endorser's Occupation and Name, City, & State of Employer.

See page 52 for instructions on entering loan payments in the ORCA software.

Fund Raising Events

Money raised in connection with a fund raising event must be deposited into your campaign account and reported on a C-3 report. However, the amount donated by each contributor purchasing a ticket may be reduced by the pro-rated cost of consumables provided. Consumables include food, beverages, preparation, catering or entertainment

furnished at the event. See page 62 for more information about deducting the cost of consumables.

All in-kind contributions received in connection with a fund raising event are also considered contributions and are reported on Schedule B to the C-4 report. In-kind contributions are reported at their fair market value. See "Valuing In-Kind Contributions," page 43.

Unless the event is a "Qualifying Low-Cost Fund Raiser," the campaign must keep track of how much each contributor donated, identify on the C-3 report the names and addresses of those who gave over \$25 at the fund raiser or whose cumulative totals for the campaign are now over \$25, and also show the occupation and employer of any individual who has given more than \$100 in the aggregate.

Frequently, at fund raisers, candidates receive contributions from anonymous sources. Any anonymous funds received at a fund raiser count toward the limit placed on the amount of anonymous funds that may legally be received (\$300 per calendar year or 1% of the total contributions received during the calendar year, whichever is more). Funds received in connection with a "Qualifying Low-Cost Fund Raiser" are not considered anonymous, even though the sources are unidentified.

Qualifying Low-Cost Fund Raisers

If a qualifying low-cost fund raiser is held, you only need report on the C-3 the activity's date, a description of the event, and the total amount received from all contributors paying \$50 or less.

You do not have to keep track of how much each person contributed and record that information in your records or itemize it on a contribution report. In-kind contributions of \$50 or under received in connection with a qualifying low-cost fund raiser need not be reported at all. Any event satisfying one of the criteria listed below qualifies as a low-cost fund raiser.

The following events qualify as low-cost fund raisers:

- retail sales of goods or services at a reasonable approximation of their fair market value;
- a gambling operation conducted in compliance with state gambling laws (contact the Gambling Commission at 360/486-3440);
- a food and beverage event where the admission price or the cost for the food and beverages is no more than \$25;
- an entertainment event (concert, dance, theater performance, etc.) where the admission price is no more than \$25; and
- an auction or similar sale where the total fair market value of items donated by any person is no more than \$50.

If someone pays over \$50 to participate in a qualifying event or pays more than \$50 to purchase auction or sale items, you must record the full amount of that contribution in your records, identify the person's name and address on the C-3 report and show occupation and employer if the individual has given more than \$100 to the campaign. However, the remainder of the funds collected from participants paying \$50 or less may still be lumped together and reported as a single sum on the C-3.

The entire event does not qualify as a low-cost fund raiser (and you must record and report the amounts given by each contributor participating in the event) **if you:**

- sell goods or services at over their fair market value, or
- hold food/beverage or entertainment events having an admission price of more than \$25, or
- hold an auction or similar sale and someone donates items worth more than \$50.

Some people invited to low-cost fund raisers will not pay at the door, but rather will forward a check either before or after the event. So long as they attend the event, you may treat their contribution like other funds received in connection with the event. It's not expected that all the funds received in relation to an event will appear on one C-3, since money will trickle in both before and after the event. However, if someone does not attend the fund raiser, but sends along a contribution anyway, that money is treated as a regular contribution and is not lumped together with fund raiser receipts.

Entering Low Cost Fund Raisers in the ORCA software

The screenshot shows the ORCA software interface. On the left, the 'Fundraisers' menu is open, showing options: Cash Fundraisers, Low-Cost Fundraisers (selected), and Auctions. On the right, the 'Fundraiser Name' form is filled out with the following information:

- Fundraiser Name: KICK OFF BREAKFAST
- Amount: \$2,300.00
- Date: 07/01/2012
- Street: 2012 Grange Drive
- City: Spokane
- State: WA
- Zip: 99004
- Memo (optional): 92 people @ \$25

Once deposited in the ORCA software, the low cost fundraiser proceeds appear in Section 2 of the C3 report:

The screenshot shows the C3 report from the PUBLIC DISCLOSURE COMMISSION. The report is titled 'CASH RECEIPTS MONETARY CONTRIBUTIONS' and is labeled 'C3 (1/02)'. It includes the following information:

- Candidate or Committee Name:** JACK JONES (JONES FOR SENATE COMMITTEE)
- Mailing Address:** 123 Miller Way
- City:** Anyplace
- Zip + 4:** 98000-0000
- Office Sought (candidates):** STATE SENATOR
- Election Date:** 2012

1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received		Amount	Total
	a. Anonymous.....	\$0.00	\$0.00
	b. Candidate's personal funds deposited in the bank (include candidate loans in 1c)		
	c. Loans, notes, security agreements. Attach Schedule L		
	d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation		
	e. Small contributions \$25.00 or less not itemized and number of persons giving _____ (persons)		

2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100:* Employer's Name, City and State	P R I	G E N	Amount	Aggregate* Total
07/01/2012	PROCEEDS FROM LOW COST FUNDRAISER				\$2,300.00	\$0.00

Auctions (Attachment Au)

Many campaigns hold auctions to raise campaign dollars.

Auctions that qualify as low-cost fund raisers do not need to be reported on Attachment Au to the C-3; the in-kind donations go unreported altogether and the receipts generated by the event are lumped together and reported on the C-3. See "Qualifying Low-Cost Fundraisers" on page 36.

However, **auctions that do not qualify as low-cost fund raisers** (usually because you want contributors to be able to give items valued at more than is allowed for a low-cost fund raiser) **must be fully reported** on an Auction Report (Attachment Au), with the total received noted on line 1d of the C-3.

The ORCA software makes reporting auctions very easy: After the auction is held, enter each auction item,

contributor information for each item's donor and buyer, the item's fair market value and sales price. Based on this information, the software determines who contributed the auction's proceeds. (When a donated item sells for its fair market value or less, the amount the item sells for is contributed by the item's donor. When an item sells for more than its fair market value, the item's fair market value is a contribution from the item's donor and the excess is a contribution from the item's buyer.)

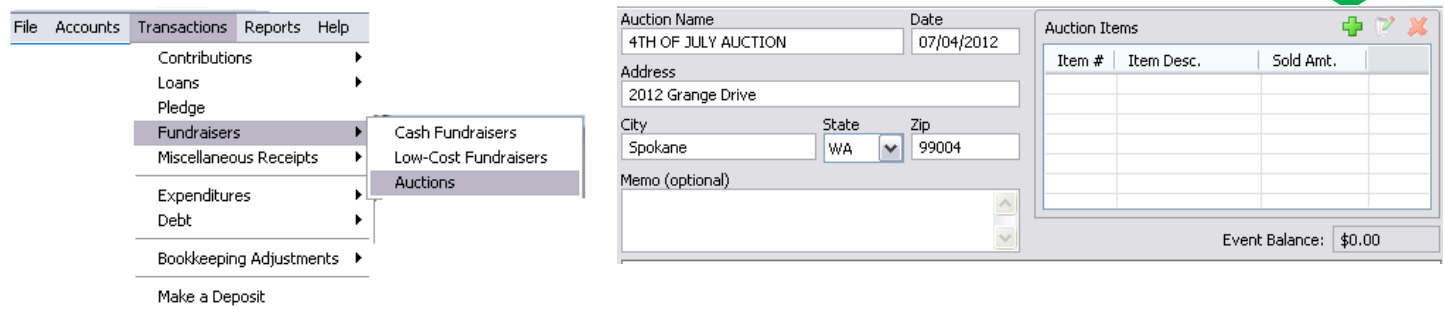
Preparation is the key to simplifying the reporting of auctions.

Pre-auction: Make a list of the donated items. You'll need a brief description of each item and its fair market value along with the donor's name, address, and occupation/employer information if the donor is an individual.

During the auction: Keep track of who buys each item and the winning bid amount. You'll need the bidder's name, address, and occupation/employer information if the bidder is an individual.

Recording an Auction in the ORCA Software:

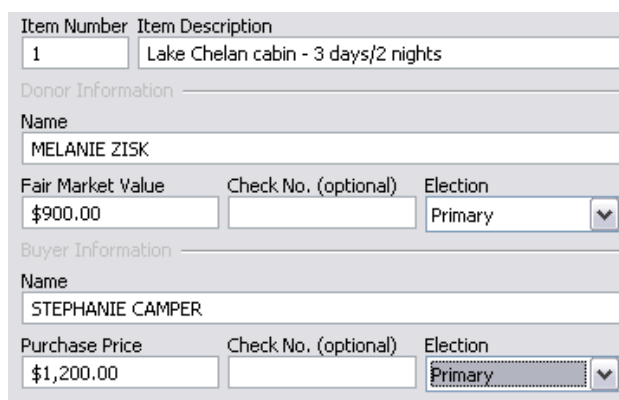
First, you'll be asked to name the auction:



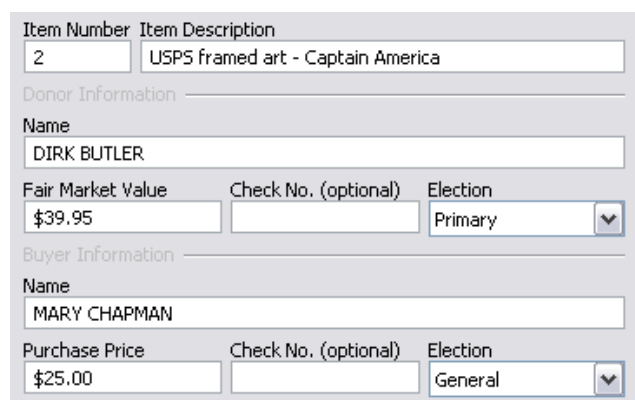
The screenshot shows the ORCA Software interface. On the left, the 'File' menu is open, and the 'Auctions' option is highlighted under the 'Fundraisers' category. On the right, the 'Auction Name' form is displayed. The form includes fields for 'Auction Name' (4TH OF JULY AUCTION), 'Date' (07/04/2012), 'Address' (2012 Grange Drive), 'City' (Spokane), 'State' (WA), and 'Zip' (99004). There is also a 'Memo (optional)' field and an 'Event Balance' field showing \$0.00. A green arrow points from a box labeled 'Click to add auction items' to the top right of the form.

After the auction, simply enter each item along the corresponding donor's and winning bidder's detailed information. (Another screen will appear in which the donor's and bidder's contact information is entered if one or the other has not previously contributed to the campaign.) This step must be done after the auction because the winning bidder's information is required when the auction items are entered.

Be sure to use only numbers – no letters or other characters – when entering the items. And use each number just once.



The screenshot shows the 'Item Number' and 'Donor Information' form. The 'Item Number' is 1, and the 'Item Description' is 'Lake Chelan cabin - 3 days/2 nights'. The 'Donor Information' section includes fields for 'Name' (MELANIE ZISK), 'Fair Market Value' (\$900.00), 'Check No. (optional)', and 'Election' (Primary). The 'Buyer Information' section includes fields for 'Name' (STEPHANIE CAMPER), 'Purchase Price' (\$1,200.00), 'Check No. (optional)', and 'Election' (Primary).



The screenshot shows the 'Item Number' and 'Donor Information' form. The 'Item Number' is 2, and the 'Item Description' is 'USPS framed art - Captain America'. The 'Donor Information' section includes fields for 'Name' (DIRK BUTLER), 'Fair Market Value' (\$39.95), 'Check No. (optional)', and 'Election' (Primary). The 'Buyer Information' section includes fields for 'Name' (MARY CHAPMAN), 'Purchase Price' (\$25.00), 'Check No. (optional)', and 'Election' (General).

Once all the items are entered, the final step is to deposit the auction proceeds. The auction proceeds appear on Line 1.d of the C-3 report and an auction report (Schedule Au) will be attached. See the next page for the Schedule Au generated by the above two entries seen above.

AUCTION REPORT

Use this form as an attachment to C3 to report items donated and sold at auctions. Please see the reverse for an example of a report.

ATTACHMENT
TO C3

Au

(12/99)

Page 1

Candidate or Committee Name (Do not abbreviate. Use full name.)

Date Auction was held

JACK JONES (JONES FOR SENATE COMMITTEE)

07/04/2012

Item No. Description	Name and Address	P R I N	G E N	Fair Market Value	Sale Price	Amount Over Fair Market Value	Aggregate Total*
1 Lake Chelan cabin - 3 days/2 nights	Contributor MELANIE ZISK 8 AMSEDELL AVE SPOKANE WA 99000 *Occupation and Employer: MARKETING MANAGER COSTCO SPOKANE WA	X		\$900.00			\$900.00
	Buyer STEPHANIE CAMPER 830 GRAND BLVD CHENEY WA 99200 *Occupation and Employer: RETIRED	X			\$1,200.00	\$300.00	\$300.00
2 USPS framed art - Captain America	Contributor DIRK BUTLER 192 CHAMPION WAY SPOKANE WA 99000 *Occupation and Employer:	X		\$39.95			\$25.00
	Buyer MARY CHAPMAN 40 PROG POND PL SPOKANE WA 99000 *Occupation and Employer:		X		\$25.00	\$0.00	\$0.00
	Contributor						
	*Occupation and Employer:						
	Buyer						
	*Occupation and Employer:						

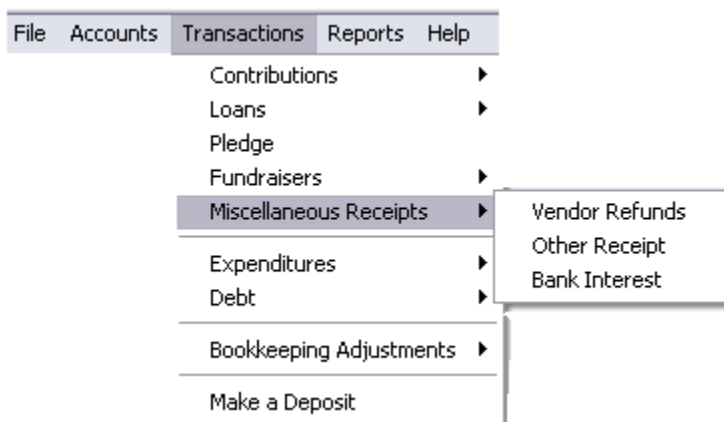
*If an individual – whether a contributor or buyer – has given \$100 or more in the aggregate to the campaign, show his or her occupation and the name, city & state of his or her employer.

Cash receipts, this page	→	\$1,225.00
Total sale price column	→	
Total from attached pages	→	\$0.00
Total cash receipts	→	\$1,225.00
Put this amount in part 1d of C3 report		

I certify that the information herein is true, correct and complete to the best of my knowledge.
Treasurer's signature _____ Date _____

Receipts That Are Not Contributions

Occasionally, a campaign receives money that is not a contribution. Typical examples are bank interest, vendor refunds, and a reimbursement from another campaign for shared expenses. ORCA users will report these receipts under *Transactions>>Miscellaneous Receipts*.

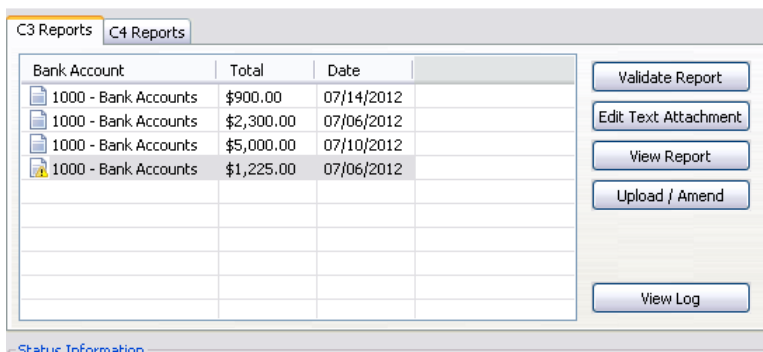


The C-3 Report

File a separate C-3 report for each bank deposit. "Making a deposit" in the ORCA software generates a C-3 report. Once you've made a deposit, find the C-3 report under Reports >> Preview/Print & Submit Reports.

ORCA users should validate each C-3 report before filing. Validating will point out errors and deficiencies like missing contributor information and over-limit contributions.

The validate feature is found in ORCA's Reports Manager.



Besides validating, you should also look at the report before filing it. Make sure that the deposit date in the lower left corner is accurate. Also look at the deposit total on Line 3 – it should match the amount actually deposited in the campaign's bank account. If the amounts do not match, compare each entry to what was actually deposited and fix the error(s) before filing the report.

If a report is due and you are missing a contributor's address or employer/occupation information, file the report by the deadline but keep working on getting the missing information. Once you have it, amend the report.

Prior to June 1 in the election year, C-3 reports are due no later than the 10th of each month. These reports will disclose contributions made in the previous month. Beginning June 1 of the election year, C-3 reports are due on the first Monday after a deposit is made. It is not necessary to wait until a filing deadline to file a C-3 report. Just be sure to not file *after* the deadline!

Cash Receipts and Expenditures [Schedule A, Part 1]

The date and total of each deposit made during a C-4 reporting period must be shown in Part 1 of Schedule A, in addition to any interest earned on the campaign account (since this interest automatically appears in the account without being deposited by the campaign). This is the mechanism for building new contributions and interest receipts into the C-4 summary report.

[illegible]

CASH RECEIPTS AND EXPENDITURE		SCHEDULE to C4		A (11/93)	
Candidate or Committee Name (Do not abbreviate. Use full name.)				Report Date	
JACK JONES (JONES FOR SENATE COMMITTEE)				06/01/2012 07/16/2012	
1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.					
Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount
07/06/2012	\$1,225.00	07/14/2012	\$900.00		
07/10/2012	\$5,000.00				
07/06/2012	\$2,300.00				
				Total deposits	\$
2. TOTAL CASH RECEIPTS				Enter also on line 2 of C4	\$ 9,425.00

Monetary contributions are not the only things of value received by campaigns. Frequently, contributors will donate goods and services in lieu of or in addition to making monetary donations. Generally, in-kind contributions are both reportable on your disclosure reports and also count against the contributor's limit to your campaign.

43

from the same contributor do not exceed \$25 in value during the election cycle -- do not need to be reported or added into the contributor's contribution total. This means that someone could allow the campaign to use his or her conference room occasionally or make a couple of local calls on the contributor's telephone without incurring a reportable contribution. Obviously, since little things have a way of adding up, if someone frequently provides the campaign with small items or services, a record had best be kept so that it will be apparent if the \$25 threshold is reached.

The first \$50 in the aggregate a volunteer spends out-of-pocket on the campaign is not an in-kind contribution. Once a volunteer spends more than \$50 out-of-pocket, report all of that volunteer's expenditures as in-kind contributions. Subsequent expenditures by the volunteer must be disclosed on future reports as additional contributions.

If someone who is not a volunteer purchases something for the campaign and spends more than \$25, the campaign will report the expenditure as an in-kind contribution.

Another example of an incidental in-kind contribution that is not reportable is when an association merely relays to its members a request for contributions from a candidate or political committee. The association could not, however, collect contributions from any source -- including its members -- and pass those contributions along to the intended recipient. Also, if an association does more than relay a request for a contribution, or put a candidate in touch with a potential contributor, the association will be seen as exercising direction or contribution and its value will be fully attributed to the association as well as the contribution.

An in-kind contribution counts against the donor's contribution limit.

A candidate may not accept a general election in-kind contribution before the primary election.

Associations and other entities may arrange to have their members provide volunteer services to a candidate or political committee without an in-kind contribution occurring so long as the coordination involved in this activity only results in incidental expenditures to the association as discussed above.

See page 24 for a discussion on other activities that are not contributions. Common examples of in-kind contributions that are reportable include donated office space, free or reduced cost printing or polling services, training of campaign workers or managers or help with preparing political advertising at no cost to the campaign or at less than fair market value. **Remember, whenever the candidate or campaign receives an item or service that meets the definition of contribution and is not incidental (as discussed above), and the campaign does not pay full value for the item or service, a reportable in-kind contribution has been received.**

As discussed under "Volunteer Services," the personal services of campaign volunteers who perform common volunteer functions are not reportable as in-kind contributions so long as the volunteers are not paid by anyone for the campaign work they do. However, if an individual assists the campaign while on the company payroll or if he or she is otherwise compensated by his or her employer for the campaign work performed, that person's employer is making an in-kind contribution to the campaign. The same would be true if a union or some other person or entity were paying an individual for the time or the services rendered to a campaign. The source of the payment would be making an in-kind contribution to the campaign.

A candidate's time spent on his or her own campaign is not reported as a contribution unless an employer gives a candidate time off with pay to campaign, or some other person compensates the candidate for the time spent on the campaign. If this happens, the employer (or source of the compensation) is making a reportable in-kind contribution. However, an employer does not make a contribution if an employee who happens to be a candidate or campaign staff member takes earned, paid leave time to campaign.

In-kind donations that are not incidental must be fully reported in Part 1 of Schedule B to the C-4 with the following details:

- the date the contribution was received;
- the name and full address of the contributor;
- a brief description of the contribution;
- its fair market value;
- the cumulative total this contributor has given for the primary or general election, whichever applies;
- a designation whether this contribution is for the primary or general election; and
- if the contributor is an individual who has cumulatively given more than \$100 to the campaign, including both

primary and general contributions, identify the individual's employer (by name, city and state) and occupation.

Valuing In-Kind Contributions

The value of an in-kind contribution is determined by the circumstances involved. For example, if a contributor

- buys supplies or equipment for the campaign, the in-kind contribution equals the amount spent on the purchase;
- takes out an advertisement supporting a candidate (after collaborating with or receiving approval from the candidate or the candidate's campaign or agent), the in-kind contribution equals the cost of the ad;
- loans your campaign the use of a computer or copier, the in-kind equals the cost of leasing a similar piece of equipment for the period of time in question;
- prints campaign literature at a cost below the printer's normal charge for a similar job, the in-kind equals the amount of the discount;
- provides food or beverages for a campaign event, the in-kind contribution equals the amount spent on the items provided or, in the case of a business that already has the items on hand, the amount that business would normally expect to receive from the sale of the items.

The overriding principle governing the value of an in-kind contribution is "the amount a well-informed buyer or lessee, willing but not obligated to buy or lease, would pay; and the amount a well-informed seller, or lessor, willing but not obligated to sell or lease, would accept."


Generally, this means the amount the contributor would ordinarily expect to receive if someone were paying him or her to provide the item or service. For example, if a candidate is given materials by a local retail hardware store for the construction of yard signs, an in-kind contribution has been made equal to the normal retail selling price of the materials. However, if the business donating the materials is a wholesale supplier, the in-kind contribution is equal to the amount this wholesaler charges its customers for the materials.

Entering In-Kind Contributions in the ORCA Software

The screenshot shows the ORCA Software interface. On the left, the 'Transactions' menu is open, highlighting 'In-Kind Contribution'. On the right, the 'Enter In-Kind Contribution' form is displayed. The form includes fields for Contributor Name (JACK A JONES), Contribution Account (4100 - In-Kind Contributions), Expenditure Account (5270 - Travel, Accommodations, Meals), Fair Market Value (\$64.77), Date (06/30/2012), Election (Primary), Description (candidate mileage reimbursement - 127 miles), and Memo (optional). The 'Always Itemize' checkbox is checked. The bottom of the form shows a navigation bar with '1 of 1' and a red 'X' icon.

(After the contributor's name is entered, another screen will appear in which the contributor's address and occupation/employer information must be entered if it was not previously entered.)

In-kind contributions appear on the C-4 report, Schedule B, section 1. See the example on the next page.



In addition to looking at the reports before filing them, PDC staff recommends that the candidate and/or treasurer regularly review the campaigns' filed reports posted on the PDC's [website](#).

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS				SCHEDULE TO C4		B (11/93)	
Candidate or Committee Name (Do not abbreviate. Use full name.) JACK JONES (JONES FOR SENATE COMMITTEE)						Report Date 06/01/2012 07/16/2012	
1. IN KIND CONTRIBUTIONS RECEIVED (goods, services, discounts, etc.)							
Date Received	Contributor's Name and Address	Description of Contribution	Fair Market Value	Aggregate Total	P R I	G E N	If total over \$100. Employer Name, City, State & Occup
06/12/2012	AAA PRINT SHOP 30 Main Street Anyplace WA 98000	discounted printing (letterhead & envelopes)	\$112.40	\$112.40	X		
06/30/2012	JACK JONES JR 123 Miller Way Anyplace WA 98000-0000	candidate mileage reimbursement - 127 miles	\$64.77	\$5,064.77	X		TEACHER Anyplace School District Anyplace WA
06/30/2012	GRASSLAND COUNTY INDEPENDENT PARTY P O Box 1080 Anyplace WA 98000	postage/bulk mail permit for 10,000 postcards	\$1,800.00	\$1,800.00	X		

In-Kind Loans

When a candidate spends personal funds on the campaign, wants to be reimbursed, and is still waiting to be repaid 21 days after the out-of-pocket expenditure was made, the candidate's expenditure becomes an in-kind loan. An in-kind loan counts against the candidate's loan repayment limit. Entering an in-kind loan in the ORCA software is similar to entering a monetary loan except that a description of the purchase is included.

Entering In-Kind Loans in the ORCA Software

File Accounts Transactions Reports Help

- Contributions ▶
- Loans ▶ Cash Loan
- In-Kind Loan
- Pledge
- Fundraisers ▶
- Miscellaneous Receipts ▶
- Expenditures ▶
- Debt ▶
- Bookkeeping Adjustments ▶
- Make a Deposit

Lender Name
JACK A JONES

Expenditure Account
5060 - Filing Fees

Loan Amount \$421.06 Date Received 05/16/2012 Election Primary

Interest Rate Due Date 12/31/2012

Description
candidate filing fee

Repayment Schedule
As funds become available

☐ Carry Forward Loans

Memo (optional)

Payments Forgiven Endorsers + - ✕

Amount	Date	Account

Loan Balance:

See page 52 for instructions on entering loan payments in the ORCA software.

In-Kind Loans vs. Debt

In PDC Interpretation 12-01, the Commission established criteria to help campaigns distinguish in-kind loans from vendor debt. This is important, because in-kind loans are subject to limits and vendor debt is not. Indicators that an item or service provided to a campaign is an in-kind loan and not a debt, include:

- a person other than the campaign pays for the item or service and
- before accepting the item or service, the campaign agrees to reimburse the contributor.

A debt is incurred when the candidate or the candidate's agent places an order for goods or services, or otherwise obligates the candidate or campaign to a vendor who is in the business of selling the goods or services provided to the campaign, and the services are provided to the campaign in the ordinary course of business.

Pledges [Schedule B, Part 2 (C-4)]

A pledge is a promise of a future monetary or in-kind contribution. Pledges of \$100 or more are reportable in Part 2 of Schedule B. A pledge may be written or oral and for cash or in-kind contributions. Pledges are built into a contributor's aggregate contribution total. Pledges must be made for a specific amount, with every intention of the giver to pay the stated amount in its entirety, and that amount, when combined with other contributions from that contributor, may not exceed the contributor's limit.

All primary election pledges must be redeemed on or before the day of the primary election, unless the pledge recipient lost the primary election and has debt to retire. Candidates who lose the primary election and have debt can redeem a primary election pledge up to 30 days after the primary election.

A pledge made with respect to the general election may not be made or redeemed after December 31 of that election year. As is discussed on page 6, **pledges and the payment of any pledges are subject to the legislative session freeze restriction and the "last minute," 21-day pre-general election restriction.** A line of credit constitutes a pledge of a loan. Report the total amount of the line of credit as a pledge. As funds are drawn or the credit is used, report the amount as a loan on the C-3 and Part 1 of the Schedule L. Reduce the outstanding pledge by the same amount. Payments to the lender (person who extended the credit) are reported as loan repayments on Schedule A and Schedule L, Part 2.

Entering Pledges in the ORCA Software

Until redeemed or cancelled, the pledge will appear on the C-4 report, Schedule B, section 2.

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS				SCHEDULE TO C4		B (11/93)	
Candidate or Committee Name (Do not abbreviate. Use full name.)						Report Date	
JACK JONES (JONES FOR SENATE COMMITTEE)						06/01/2012 07/16/2012	
2. PLEDGES RECEIVED BUT NOT YET PAID. List each pledge of more than \$100.00.							
Date Notified of Pledge	Name and Address of Pledge Maker	Fair Market Value	Aggregate Total	P R I	G E N	If total over \$100, Employer Name, City, State, Occup.	
06/15/2012	ABC CONSTRUCTION 7263 Birch Street Bestview WA 99220	\$900.00	\$900.00	X			
06/20/2012	JANCE SMITH 1845 State Street Anyplace WA 98000	\$150.00	\$150.00	X		SALES REPRESENTATIVE Best Used Cars Anyplace WA	

Redeeming Pledges in the ORCA Software

click "+" to
enter receipt

The screenshot shows the 'Pledge Maker' window in the ORCA software. On the left, there are input fields for 'Pledge Maker' (JANCE SMITH), 'Amount' (\$150.00), 'Date' (06/20/2012), 'Election' (Primary), 'Description' (monetary contribution), and 'Memo (optional)'. There is also an 'Always Itemize' checkbox. On the right, there is a table with columns 'Amount', 'Date', and 'Memo (optional)'. Above the table are tabs for 'Cash Pmt.', 'In-Kind Pmt.', and 'Canceled', along with icons for adding (+), deleting (-), and saving (floppy disk). A 'Pledge Balance' field is at the bottom right. At the very bottom, there is a status bar showing '1 of 1' and navigation icons.

Expenditures and Debts

The law also requires all campaign expenditures, including debts, to be reported. The information in this section will assist you in meeting this obligation.

Definition

The term "expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value. It includes a contract, promise or agreement, whether or not legally enforceable, to make an expenditure.

The term "expenditure" also includes a promise to pay, a payment or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. Agreements to make expenditures, contracts, and promises to pay are reported as estimated obligations until actual payment is made.

Deductions of bank service charges are shown as expenditures in order that the campaign books match the checking account balance.

Loan repayments are shown as expenditures even though they are actually reductions in the amount contributed by the person making the campaign loan. These payments are reported in Part 2 of Schedule L. The amount of the principal being repaid also goes on lines 5 and 14 of the C-4 report, and the full amount of the payment (principal plus interest) appears on Schedule A. See instructions for entering loan payments in the ORCA software.

All campaign-related expenditures made by the candidate or the candidate's committee (including any filing fee) must be reported. Campaign volunteers may each spend as much as \$50 of their own funds for unreportable incidental expenses. However, if the campaign reimburses volunteers for expenses, a reportable expenditure has been made. When reimbursing someone, be sure to collect the receipt to keep with the campaign records.

Transfers between campaign bank accounts (from checking to savings, for example) are not considered expenditures, nor are purchases of bonds or certificates of deposit. Notify PDC in writing if you invest campaign funds. See page 58 for more information on Investment of Campaign Funds.

Permissible Expenditures

Campaign funds may only be used for expenditures that are directly related to the candidate's campaign. Although by no means a complete list of allowable campaign expenses, the following will give you an idea of typical campaign expenses:

- Campaign employees and consultants;
- Campaign headquarters, office equipment and supplies;
- Campaign fund raising activities (including candidate's portion of joint fund raising expenditures shared with other candidates);
- Filing fees paid when candidate files his or her Declaration of Candidacy with the county auditor or the Secretary of State;
- Political advertising expenses (including advertising that immediately follows an election thanking contributors and voters for their support);
- Lists of voters in the candidate's district;
- Lists of potential contributors;
- Polling and voter identification expenses;
- Payments to accountants, bookkeepers, lawyers, computer consultants and the like for assistance in complying with PDC and election laws (note that this type of assistance may be provided free to the campaign without a contribution ensuing); and
- Any other expense that is directly related to the candidate's election campaign.

Further, although the law prohibits using campaign funds to make a contribution to another candidate or political committee (other than using surplus funds to give to a political party or caucus committee), it is OK for a candidate to use his or her campaign money to attend an event held by another candidate, a political party or committee so long as attending the event is directly related to the candidate's own campaign and the candidate's campaign only pays the per-person cost of consumables provided at the event. That is, the candidate uses his or her campaign money only to pay for his or her share of the actual cost of food, beverages, preparation, catering and entertainment furnished at the event. If the candidate wishes to pay the full admission charge, he or she must use his or her personal funds to do so.

Remember that any expenditure of more than \$50 in currency (actual cash dollars) may not be made unless a written receipt signed by the vendor (or the recipient of the money) and the candidate or treasurer is made part of your committee's financial records.

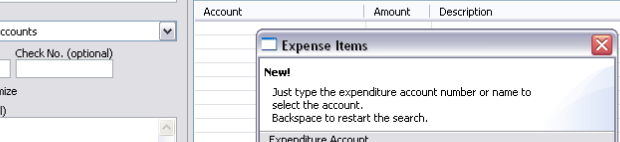
Also keep in mind that expenditures may only be made, incurred or authorized by the candidate or the campaign treasurer.

Every expenditure should be disclosed on the Schedule A, except for:

1. A check cut to establish or replenish petty cash funds, because petty cash expenses are reported as they occur (see page 50 for instructions on establishing a petty cash fund in the ORCA software);
2. An expenditure that pays for campaign fund raiser consumables if the campaign is accounting for the cost of these consumables by reducing the amount of contributions reported (see page 62 for information about deducting the cost of consumables); and
3. expenditures for joint fund raising activity as described on page 63.

Entering Expenditures in the ORCA Software

All expenditures are uniformly entered in the ORCA software. When the C-4 report is generated/filed, small expenditures of \$50 or less will not be itemized unless the *Always Itemize* box is checked in the ORCA software. State law does not require an expenditure to be itemized unless it is more than \$50. If the *Always Itemize* box is not checked, the small expenditures will be lumped together and appear on a single line of the C-4 report.



In an effort to streamline reporting before the advent of electronic filing, the PDC developed expenditure codes that were used to describe campaign expenses on the Schedule A. Treasurers would save themselves time by using the codes rather than entering full descriptions for expenditures. These codes are programmed into the PDC's ORCA software and users will enter a brief description for each expenditure.

These types of expenditures require that special information be supplied:

[illegible]

The resulting report should look like this:

07/15/2012	AAA CAMPAIGN CONSULTANT 921 MAIN ST SPOKANE WA 99007		mailer design	\$2,025.00
07/15/2012	AAA CAMPAIGN CONSULTANT 921 MAIN ST SPOKANE WA 99007		XYZ Print Co.-35,000 pieces	\$1,780.00
07/15/2012	AAA CAMPAIGN CONSULTANT 921 MAIN ST SPOKANE WA 99007		My Mailhouse/35,000 pieces	\$10,500.00

Media Buys: Expenditures for media buys must be broken down by date, amount paid, run dates of the ad, and each media outlet (newspaper, radio or TV station, billboard company, etc.). Follow the example above to report media buys made through an agent/broker.

Credit Cards: When reporting payments to credit card companies, disclose each charge that is being paid by the campaign. Each charge should be entered as a separate expense – show the date, vendor, purpose and amount of each expense.

Reimbursements: When reimbursing the candidate or another campaign worker for out-of-pocket campaign expenses, you list each expense being reimbursed by showing the vendor's name and address, what was paid for, and amount paid.

Travel: When reporting direct payments to vendors for campaign-related travel expenses incurred by the candidate or a campaign worker, report the date of payment, the vendor's identity, the traveler's name in the *description* field, and the amount spent. The ORCA entry should look like this:

The screenshot shows the ORCA software interface for entering an expense. On the left, there are fields for Vendor Name (HORIZON AIR), Bank Account (1000 - Bank Accounts), Date (07/15/2012), Check No. (optional), Always Itemize (checked), and Memo (optional). On the right, there is a table for Expenses with columns for Account, Amount, and Description. The first entry is 'Travel, Accommodations, Meals' with an amount of \$310.90 and a description of 'Jack Jones (RT airfare to Spokane)'. At the bottom right, the Expenditure Balance is shown as \$310.90.

Replacement of Job Earnings: When reporting payments to the candidate or another campaign staff member to offset salaries or wages lost as a result of campaigning, include a description that explains how the amount paid was calculated.

Surplus Funds: When reporting a transfer of surplus campaign funds to a bona fide political party, a caucus political committee, or your own surplus funds account, use ORCA's expenditure account 5150 – *miscellaneous*, enter the amount and type *surplus transfer* in the description field.

Petty Cash Fund

Every penny the campaign receives must be deposited into the bank account. The campaign may establish a petty cash fund that will be used for small campaign purchases (either direct purchases or to reimburse the candidate or campaign workers for their out-of-pocket expenditures) by withdrawing funds from the account or cashing a campaign check. Be sure to keep the bank receipt with the campaign records when withdrawing funds. The amount transferred to the petty cash account is not reported as an expenditure.

Establishing a Petty Cash Fund in the ORCA Software

The screenshot shows the ORCA software interface. On the left, the 'Transactions' menu is open, displaying options: Contributions, Loans, Pledge, Fundraisers, Miscellaneous Receipts, Expenditures, Debt, Bookkeeping Adjustments, and Make a Deposit. The 'Bookkeeping Adjustments' option is selected, showing a sub-menu with 'Adjustments to Transactions', 'Math Error Adjustments', and 'Account Adjustments'. On the right, a transaction entry form is displayed. The 'From Account' dropdown is set to '1000 - Bank Accounts'. The 'Amt. to Move' is '\$350.00' and the 'Date' is '07/01/2012'. The 'To Account' dropdown is set to '1800 - Petty Cash'. The 'Memo (optional)' field contains 'cash withdrawal'. At the bottom, a status bar shows '1 of 1' and navigation icons.

Expenditures using petty cash are entered in the ORCA software just like expenditures from the campaign's bank account, except that Petty Cash Account #1800 is used:

The screenshot shows the 'Expenses' form in the ORCA software. On the left, the 'Vendor Name' field is empty. The 'Bank Account' dropdown is set to '1800 - Petty Cash'. Below it, a list of bank accounts is shown: '1000 - Bank Accounts' and '1800 - Petty Cash'. The 'Always Itemize' checkbox is unchecked. The 'Memo (optional)' field is empty. On the right, the 'Expenses' table is displayed with columns: Account, Amount, and Description. The table is currently empty. At the bottom right, the 'Expenditure Balance' field is shown.

Outstanding Debts [Schedule B, Part 3 (C-4)]

Since one of the purposes of campaign disclosure reporting is to show how the campaign dollars are spent, your reports would be incomplete without including those debts the campaign is obligated to pay but, for whatever reason, has not as yet.

In Part 3 of Schedule B, you'll list each order placed (but not paid), debt or other obligation (**except loans**) that has an actual or estimated cost of over \$250. You'll also include any other debt (**except loans**) if its actual or estimated cost is over \$50 and the debt has been outstanding for more than 30 days.

A promise or promise to pay for goods or services or any offer to purchase advertising space, broadcast time or other advertising related product or service is considered an order placed and must be reported on the Schedule B. Contractual liabilities, even when contingent on a future event, such as a bonus that will be paid if the candidate is elected, must be reported as debt.

For each reportable debt, show the date the order was placed or the obligation entered into, the vendor's name and address, the amount owed and the expenditure code that describes the debt or a description of it. Estimate the cost of an order placed if you have not yet been billed for it.


Entering a Debt in the ORCA Software

File Accounts Transactions Reports Help


- Contributions ▶
- Loans ▶
- Pledge
- Fundraisers ▶
- Miscellaneous Receipts ▶
- Expenditures ▶
- Debt ▶**
 - Vendor Debt
 - Credit Card Debt
- Bookkeeping Adjustments ▶
- Make a Deposit




Vendor/Agent Name SUCCESS AGENCY		Debt Activity	
<input type="checkbox"/> Carry Forward Debts			
Expenditure Account 5130 - Management/Consulting Services			
Total Obligated	Balance	Date	
\$3,000.00	\$3,000.00	07/01/2012	
Description victory bonus			
Memo (optional)			

Name / Type	Amount	Balance
SUCCESS AGENCY	\$3,000.00	\$3,000.00

If a portion of a debt is owed to a subcontractor, click the  in the debt screen to enter the subcontractor's portion. The original debt would then be reduced by the amount owed to the subcontractor.

Satisfying or Forgiving a Debt in the ORCA Software

Return to the screen where the debt was entered and click the  and the following menu appears:

- Sub Obligation
- Debt Payment**
- Debt Adjustment
- Debt Forgiven

Choose the correct option and complete the fields. The Debt Activity screen is the only place where debt payments are entered – do not enter them as monetary expenditures. Until paid or forgiven, debts will appear on the C-4 report, Schedule B, section 3.


IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS		SCHEDULE TO C4		B (11/93)
Candidate or Committee Name (Do not abbreviate. Use full name.) JACK JONES JR (JONES FOR SENATE COMMITTEE)			Report Date 06/01/2012 07/16/2012	
3. ORDERS PLACED, DEBTS, OBLIGATIONS. (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)				
Expenditure Date	Vendor's/Recipient's Name and Address	Amount Owed	Code OR	Description of Obligation
06/30/2012	NORTHWEST FUND RAISING ASSOC 520 E JAMES ST SEATTLE WA, 98101	\$2,000.00		June fund raising
07/01/2012	SUCCESS AGENCY Tower Bldg. Spokane WA, 99111	\$3,000.00		victory bonus

Loans [Schedule L, Parts 2, 3 & 4 (C-4)]

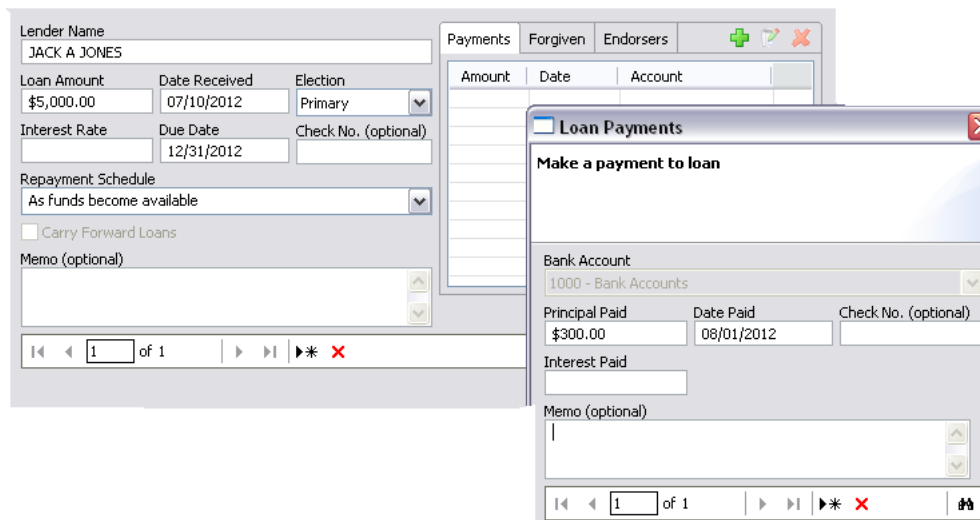
Each time a loan is received, Part 1 of Schedule L is completed and the schedule is attached to the C-3 showing the loan's deposit.

The Schedule L is also filed with each C-4 report as long as any campaign loans remain outstanding or there is any loan repayment or forgiveness activity to report. Loan payments are disclosed in Part 2 of the Schedule L. Any loan forgiveness that occurred during the C-4 reporting period is disclosed in Part 3 of the Schedule L. An outstanding loan balance is shown in Part 4 of the Schedule L.

Entering Loan Payments in the ORCA Software


Loan payments are not entered as expenditures in the ORCA software. Instead, return to the screen where the loan was originally entered and click the  to enter a payment.

The resulting report is shown below.



LOANS			SCHEDULE TO C3 OR C4	L (12/99)	Page <u>1</u>	
Candidate or Committee Name					Report Date	
JACK JONES (JONES FOR SENATE COMMITTEE)					07/31/2012 08/31/2012	
2. LOAN PAYMENTS. Candidates may be repaid no more than amount loaned or permitted by WAC 390-05-400, whichever is less. See instruction manual.						
Date Paid	Lender's Name and Address		Principal Paid	Interest Paid	Total Payment	Balance Owed
08/01/2012	JACK JONES JR 123 Miller Way Anyplace WA 98000-0000		\$300.00	\$0.00	\$300.00	\$4,700.00

Forgiving Loans in the ORCA Software

Occasionally, a lender will decide that the campaign doesn't have to repay a loan (particularly if it's the candidate who made the loan). Recording loan forgiveness in the ORCA software is very similar to entering a payment. Follow the instructions above, but click the *Forgiven* tab before clicking the .

Loans Still Owed

Outstanding loan balances will automatically appear on the campaign reports provided the loan receipt, payments, and forgiveness are correctly entered in the ORCA software.

Corrections

Before campaigns were E-filing reports, a Schedule C to the C-4 report was used to adjust the C-4 totals. The adjustments typically resulted from mathematical errors, recording errors, receipt of a non-sufficient funds contribution check, or a vendor refunding a payment.

E-filers will occasionally need to adjust C-4 totals, but it's no longer done by completing a Schedule C. If you discover that an amount was entered incorrectly, return to the entry and correct the number. Refile/amend the report along with the corresponding C-4 reports and all subsequent C-4 reports that have been filed. In the event the bank notifies the campaign that a contribution check will not be honored and the contributor does not replace it, go back to the original entry and change it to "0" and then refile/amend the C-3 and C-4 reports. (It is not necessary to amend reports when the contributor replaces the contribution. Instead, create a record of what happened to keep with the campaign records.)

What to do when you receive a Vendor Refund is explained at the top of page 40.

The C-4 Report

At the end of C-4 reporting period, make sure that all deposits and expenditures made during the reporting period have been entered. The ORCA software will compile the entries into the C-4 report. View the report before filing it to make sure it is accurate. Reconcile the “cash on hand” (line 18) to the campaign’s bank account. Transaction dates determine on which C-4 report items appear. Return to the transaction and check the date if an entry is not showing up on the appropriate C-4 report. Assuming there are no funds in a separate investment account, Line 18 should equal the sum of the check balance and the petty cash balance as of the last day covered by the report. If line 18 does not agree with the checkbook balance once it's combined with petty cash on hand, verify that all C-3 reports for the period were included in Part 1 of Schedule A, make sure each expenditure was included in Part 3 of Schedule A, and double check your arithmetic. If this doesn't work and you're off by a significant amount, you may be in for a time-consuming review of every entry made since the last reconciliation. Call and speak with a PDC political finance specialist about your difficulties.

The C-4 report shown on the next page is a compilation of most of the examples scattered throughout this manual.



ORCA users should regularly update the software.
Updates keep up with changes in state law and incorporate users' suggestions.

PC users install updates by clicking the software's "ORCA Web Update" icon.

MAC users update their ORCA software through the PDC's [website](#).



CAMPAIGN SUMMARY RECEIPTS & EXPENDITURES

C4
(1/02)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name):
JACK JONES (JONES FOR SENATE COMMITTEE)

Mailing Address
123 Miller Way

City
Anyplace

Zip + 4 98000-0000	Office Sought: (Candidates) STATE SENATOR	Election Year 2012
Report Period Covered 06/01/2012 to 07/16/2012	From (last C-4) To (end of period)	Final Report? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

*For PACs, Parties & Caucus Committees: During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

*See reverse Yes ☐ No ☒

RECEIPTS

- Previous total cash and in kind contributions (From line 8, last C-4)
(If beginning a new campaign or calendar year, see instruction booklet). \$ **\$22,000.00**
- Cash received (From line 2, Schedule A) \$ **\$9,425.00**
- In kind contributions received (From line 1, Schedule B) **\$1,977.17**
- Total cash and in kind contributions received this period (Line 2 plus 3) **\$11,402.17**
- Loan principal repayments made (From line 2, Schedule L) **-\$0.00**
- Corrections (From line 1 or 3, Schedule C) Show + or - **\$0.00**
- Net adjustments this period (Combine line 5 & 6) Show + or - **\$0.00**
- Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) **\$33,402.17**
- Total pledge payments due (From line 2, Schedule B) **\$1,050.00**

EXPENDITURES

- Previous total cash and in kind expenditures (From line 17, last C-4)
(If beginning a new campaign or calendar year, see instruction booklet). \$ **\$0.00**
- Total cash expenditures (From line 4, Schedule A) **\$14,857.90**
- In kind expenditures (goods & services) (From line 1, Schedule B) **\$1,977.17**
- Total cash and in kind expenditures made this period (Line 11 plus line 12) **\$16,835.07**
- Loan principal repayments made (From line 2, Schedule L) **-\$0.00**
- Corrections (From line 2 or 3, Schedule C) Show + or - **\$0.00**
- Net adjustments this period (Combine lines 14 & 15) Show + or - **\$0.00**
- Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) **\$16,835.07**

CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:
(509) 555-1313

CASH SUMMARY

- Cash on hand (Line 8 minus line 17) **\$16,567.10**
(Line 18 should equal your bank account balance(s) plus your petty cash balance.)
- Liabilities: (Sum of loans and debts owed) **\$10,000.00**
- Balance (Surplus or deficit) (Line 18 minus line 19) **\$6,567.10**

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature _____ Date _____ Treasurer's Signature _____ Date _____

SEE INSTRUCTIONS ON REVERSE

C-4 Due Dates

Candidates must file C-4 reports, including all schedules necessary to report financial activity for the period, according to the following schedule:

- With the C-1 registration statement, if contributions were received or expenditures made prior to registering as a candidate;
- The 10th of each month (covering the preceding calendar month or the period since the last C-4 report was filed) when there is over \$200 in contributions received or expenditures made;
- 21 and 7 days before the primary election*;
- September 10 (post primary);
- 21 and 7 days before the general election**;
- December 10; and
- January 10 (beginning in February, candidates who do not file final reports on January 10 will revert to the 10th-of-the-month reports when they have over \$200 in contributions or expenditures).

*Candidates whose names are NOT on the primary ballot or who are not running as a write-in candidate with respect to the primary election do not file these pre-primary reports; instead they continue filing monthly reports for June, July, and August – these reports are due on the 10th of the following month.

**Candidates who lose in the primary election and who are not running as a write-in candidate in the general election, do not file these pre-general reports. If the September 10 report is not the final report, continue to file 10th-of-the-month reports.

Reporting Period Close-Out Dates

Each financial transaction that occurs during a reporting period must be included on the C-4 report covering that period. Shown below are the C-4 due dates and the **earliest** time when books may be closed for that particular report.

With C-1 report (if pre-registration contributions were received or expenditures made); close books same day as report filed; include all activity to date.

10th-of-the-month reports (required if no 21-day or 7-day pre-election reports are due that month and contributions or expenditures exceeded \$200 since last C-4); close books as of last day of preceding month; include all activity since last C-4.

21-day pre-election report; close books no more than one business days before report due date; include all activity since last C-4.

7-day pre-election report; close books no more than one day before report due date; include all activity since last C-4.

Post-election 10th-of-the-following month report; close books as of last day of preceding month; include all activity since last C-4.

End of election cycle 10th-of-the-following month report; close books as of last day of preceding month; include all activity since last C-4.

After the Election

Post-Election Reports

When filing the final report, indicate this fact in the space provided near the top of the C-4 report.

Candidates Who Lose the Primary Election

The C-4 report filed on September 10 is the final report if the campaign is done – meaning there are no outstanding debts, loans or other obligations, surplus funds have been disposed of and the campaign has been dissolved.

If the campaign does not or cannot file a final report on September 10, continue to file C-4 reports until all debts and other obligations are satisfied. These reports are filed on the 10th of each month (covering the previous calendar month, or the period since the last report) whenever expenditures made total \$200 or more since the last C-4 report was filed. A final C-4 report is filed when all obligations are settled.

Donors may make primary election contributions to legislative and state executive office candidates up to 30 days after the date of the primary if the state office candidate loses in the primary and does not have enough money to pay primary debts. These contributions count against the contributor's overall primary limit.

(Therefore, be aware that if you lose in the primary, you will only have an additional 30 days to solicit contributions to satisfy primary debt. Contributions received in excess of the sum needed to satisfy outstanding primary debts must be returned to the original contributors.)

If the candidate has debts or loans outstanding after the 30 day post primary timeframe (but insufficient campaign funds to cover these obligations), there are only three options available for raising money.

- 1) The candidate may contribute personal funds to his or her campaign and use these funds to pay off the debts and loans. (These contributions are also reported on C-3 reports.)
- 2) The candidate could receive contributions from a bona fide political party or caucus political committee so long as the contributions are made by December 31 of that election year. These contributions count against the contributor's overall limit. (The contributions are also reported on C-3 reports.)
- 3) The candidate decides to seek another public office and files a C-1 registration statement with PDC to that effect. A final C-4 report for the campaign just concluded is filed. A beginning C-4 report for the new campaign is also filed, showing the debt being carried forward to this new campaign. It is conceivable that there could be a cash surplus that is also carried forward; but, it is more likely that all cash remaining from the earlier campaign has been used to reduce the amount of the debt left from that campaign. (In order to use this debt payment method, the person must be a legitimate candidate in the new election, and not simply re-registering as a candidate in order to collect money to pay off the old debts or loans. All contributions received count against the contributor's limit (if any) for the new campaign, even if they are spent on debts or loans from the previous campaign.)

If there is a surplus after the election, you may

- 1) dispose of the surplus in one or more of the other ways allowed by law (see page 9) and file a final C-4 report for the campaign;
- 2) move the money into a Surplus Funds Account and file a final C-4 report for the campaign;
- 3) let the funds lie dormant in the campaign account, but before receiving any contributions for a new campaign or making any expenditures for a new campaign, file a final report for the old campaign, file a new C-1 registration for the new campaign, and file a C-4 for the new campaign showing the surplus being carried forward. (See page 59 for an explanation of how to carry forward funds to the new campaign.)

Candidates in the General Election

The C-4 report filed on January 12, 2017 is the final report if the campaign is concluded, there are no outstanding debts, loans or other obligations, surplus funds have been disposed of and the campaign has been dissolved.

If the campaign does not or cannot file a final report the first January after the general election, continue to file C-4 reports until all debts and other obligations are satisfied. These reports are filed on the 10th of each month (covering the previous calendar month, or the period since the last report) whenever expenditures made total \$200 or more since the last C-4 report was filed. If you have a campaign surplus, but make no new expenditures, no C-4 reports are required until campaign financial activity resumes. See Start-up of New Campaign section on page 59.

If the candidate has debts or loans outstanding after the election (but insufficient campaign funds after the election to cover these obligations), there are three options.

- 1) Through December 31 of the election year, contributors who have not given the maximum amount allowed may make contributions, so long as any post-election contributions when combined with those given earlier in the campaign do not exceed their limit. For most contributors that limit is \$2,000 to state executive candidates and \$1,000 to legislative candidates for the general election. For the state committee of a bona fide political party and a caucus political committee, the limit is \$1.00 times the number of registered voters in the jurisdiction. Party county central committees and the legislative district committee in the candidate's jurisdiction share a combined limit of \$.50 times the number of registered voters. (These contributions are also reported on a C-3.)
- 2) The candidate may contribute personal funds to his or her campaign and use these funds to pay off the debts and loans. (These contributions are also reported on a C-3 report.)
- 3) The candidate decides to seek another public office and files a C-1 registration statement with PDC to that effect. A final C-4 report for the campaign just concluded is filed. A beginning C-4 report for the new campaign is also filed, showing the debt being carried forward to this new campaign. It is conceivable that there could be a cash surplus that is also carried forward; but, it is more likely that all cash remaining from the earlier campaign has been used to reduce the amount of the debt left from that campaign. (In order to use this debt payment method, the person must be a legitimate candidate in the new election, and not simply re-registering as a candidate in order to collect money to pay off the old debts or loans. All contributions received count against the contributor's limit (if any) for the new campaign, even if they are spent on debts or loans from the previous campaign.)

Because of the way the law is worded, after December 31 of the election year, no one (except as discussed above) may give a candidate in that election money or anything else of value to pay off remaining campaign debts/loans. Nor may anyone else directly pay the persons who are owed the money, since those payments constitute in-kind contributions (and contributions have to be made on or before December 31). Nor may the person to whom the debt or loan is owed forgive the obligation, unless the person did so on or before December 31 (and the amount forgiven, when combined with other contributions from that contributor, does not exceed \$1,000 for state legislative candidates and \$2,000 for state executive office candidates).

If there is a surplus after the election, you may

- 1) move the money into a Surplus Funds Account and file an final C-4 report for the campaign;
- 2) dispose of the surplus in one or more of the other ways allowed by law (see page 9) and file a final C-4 report for the campaign;
- 3) let the funds lie dormant in the campaign account (or invest them as discussed below), but before receiving any contributions for a new campaign or making any expenditures for a new campaign, file a final report for the old campaign, file a new C-1 registration for the new campaign, and file a C-4 for the new campaign showing the surplus being carried forward.

Investing Campaign Funds

Campaign funds or surplus funds may be invested in bonds, certificates, tax-exempt securities, savings accounts or other similar instruments in financial institutions or in mutual funds.

Financial institutions other than banks, savings and loan associations, and credit unions may NOT be used as the campaign depository into which contributions are deposited and out of which campaign expenditures are made. However, brokerage houses and other financial institutions may be used for investing campaign funds so long as the investment by the brokerage house or other institution is in the form of bonds, certificates, tax-exempt securities, and mutual funds.

If you invest campaign funds, take the following steps:

- Notify PDC by letter of the date, amount and the name of the financial institution where the surplus is invested. Do not report the investment as an expenditure on Schedule A or on the C-4 report.
- Deposit all interest, dividends or income earned by the investment into the investment account. Report this income as miscellaneous receipts on line 1d of the C-3 report.
- When the investment is terminated, re-deposit the principal plus the accrued earnings into the original campaign account. Notify PDC by letter that this re-deposit has been made. Do not report this transfer as a contribution on the C-3.
- Check with the IRS or your personal tax consultant about any tax liability that the investment may create.

Surplus Funds Accounts

Who Needs to Set Up a Surplus Funds Account. Any elected official who wants to spend surplus campaign funds for non-reimbursed public office related expenses must set up a Surplus Funds Account in order to make these types of expenditures.

The other six legally permissible options for disposing of surplus campaign funds found in RCW 42.17A.430 and listed below in "Using the Account" may be engaged in either with a Surplus Funds Account or directly out of the old campaign account. However, the dangers of not setting up a separate Surplus Funds Account and simply disposing of surplus funds out of the now inactive campaign account are:

- 1) the funds can't be used for non-reimbursed public office related expenses; and
- 2) once new campaign monies are co-mingled with any existing surplus balance, or the surplus is carried forward to a new campaign, or expenditures triggering candidacy for a new campaign are made out of the account, none of the funds in the account is considered surplus and the money now may only be used for expenditures that are directly related to the new campaign.

Opening the Account. Take all or a portion of truly surplus funds and open a separate Surplus Funds Account (or transfer latest surplus into an already existing Surplus Funds Account).

"Surplus funds" are the balance of contributions given for a specific election that remain after the election and are not needed to pay off that election's campaign debts. Funds remaining after an election are NO LONGER SURPLUS FUNDS if they have been carried forward to a new campaign, mingled with new contributions for a future election, or used to make expenditures for a future election campaign.

Using the Account. According to RCW 42.17A.430, you may only use monies in a Surplus Funds Account for one or more of the following purposes.

- Non-reimbursed public office related expenses.*
- Refunds to contributors. Refunds of contributions made by the candidate to his or her own campaign are subject to restriction.
- Payments to the candidate for verifiable earnings lost because of campaigning.

- Unlimited contributions to a bona fide political party or caucus political committee.
- Donations to a charity registered with the Secretary of State in accordance with RCW 19.09.
- Deposits into the state's general fund, the oral history, state library, and archives account under RCW 43.07.380, or the legislative international trade account under RCW 44.04.270, as specified by the candidate or political committee.
- Transfers to your campaign account for use in a future election (if a different office is sought than the one for which the surplus funds were initially raised, written permission will have to be obtained from the contributors of the remaining surplus before the surplus may be used to seek the different office).

*A "non-reimbursed public office-related expense" is an expenditure incurred by an elected or appointed official, or a member of his or her immediate family, solely because of being an official. [WAC 390-24-032]

Reporting a Surplus Funds Account. When the account is established by opening a separate bank account:

- file a C-1 giving the Candidate's Name plus the words "Surplus Funds Account;"
- transfer all or a portion of the eligible surplus funds into the new or existing Surplus Funds Account (which should be a checking account -- rather than a savings account -- if there will be more than infrequent expenditures out of it); and
- file C-4 reports along with Schedule A's showing any transfers into the account at the top of the Schedule A and also itemizing all expenditures out of the account on the form. File a C-4 for the Surplus Funds Account monthly by the 10th of the month, covering the preceding calendar month, for any month in which you transferred in or spent over \$200. If over \$200 in activity does not occur in a month, the next report is triggered when over \$200 has been transferred into the account or spent out of it since the last report was filed. Then, file the C-4 by the 10th of the following month.

Note: ONLY SURPLUS FUNDS FROM A CAMPAIGN MAY BE DEPOSITED INTO A SURPLUS FUNDS ACCOUNT. [RCW 42.17A.430(7)]

Start-up of New Campaign

A candidate's committee does not "net out" annually, but aggregates contributions and expenditures throughout the existence of the candidacy or campaign. For example, a candidate might begin seeking contributions and making expenditures two or three years before an election. The aggregate of all contributions and expenditures is shown on C-4 reports until the election is over.

Here are the steps to follow to start a new campaign:

- File a final C-4 report with the appropriate schedules for the earlier campaign. Include all transactions since the last C-4 was filed. Indicate in the space provided that this is the final report.
- File a C-1 registration statement for the new campaign.
- File a C-4 report for the new campaign. A surplus cash balance brought forward from an earlier campaign is entered in ORCA's *committee information* screen. Debts brought forward from a previous campaign are entered in the ORCA software as *vendor debts*.
- File future C-3 and C-4 reports for the new campaign according to the reporting schedule for that campaign.



SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4
(1/12)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

John A. "Jack" Jones, Jr. (Jones for Senate)

Mailing Address

123 Miller Way

City

Anyplace, WA

Zip + 4

98000-0000

Office Sought (Candidates)

State Senate

Election Date

Nov 20XX

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution) **supporting or opposing a state or local candidate?**

Report From (last C-4)

To (end of period)

Final Report?

Covered

5/1/20XX

5/31/20XX

Yes ☐ No ☒

RECEIPTS

*See next page

Yes ☐

No ☐

1. Previous total cash and in kind contributions (From line 8, last C-4) Carry Over – Previous campaign
(if beginning a new campaign or calendar year, see instruction booklet) \$ 872.65
2. Cash received (From line 2, Schedule A) \$ 280.00
3. In kind contributions received (From line 1, Schedule B) 0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3) 280.00
5. Loan principal repayments made (From line 2, Schedule L) (0.00)
6. Corrections (From line 1 or 3, Schedule C) Show + or (-) 0.00
7. Net adjustments this period (Combine line 5 & 6) Show + or (-) 0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) 1,152.65
9. Total pledge payments due (From line 2, Schedule B) 0.00

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4)
(If beginning a new campaign or calendar year, see instruction booklet) 0.00
11. Total cash expenditures (From line 4, Schedule A) 50.00
12. In kind expenditures (goods & services) (From line 1, Schedule B) 0.00
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) 50.00
14. Loan principal repayments made (From line 2, Schedule L) (0.00)
15. Corrections (From line 2 or 3, Schedule C) Show + or (-) 0.00
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-) 0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) 50.00

CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:
(509) 555-1212

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) 1,102.65
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]
19. Liabilities: (Sum of loans and debts owed) (0.00)
20. Balance (Surplus or deficit) (Line 18 minus line 19) \$1,102.65

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

6/10/20XX

Treasurer's Signature

Date

6/10/20XX

Bookkeeping Tips

This section includes some hints to assist treasurers in compiling and reporting campaign finance information.

The law requires that accurate records be maintained. Use any bookkeeping system that meets this requirement. The hints outlined here are ones that have been used effectively in other campaigns. If you have ideas that would help other treasurers, please share them with us.

Computer Reports

All candidates who expect to spend \$5,000 on the current campaign or met the \$5,000 expenditure threshold in the last campaign for the same office are required to submit campaign finance reports electronically.

The PDC has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The ORCA (Online Reporting of Campaign Activity) software is NOT campaign management software; is designed specifically to meet the reporting requirements under RCW 42.17A.

If you are currently using campaign finance software other than ORCA, the PDC can send you a vendor kit; a software development package that with some additional advanced programming, may enable your campaign to file electronically using your current software.

Contribution Records

PDC staff recommends that the campaign treasurer keep copies of C-3 reports where they are readily available. For some campaigns, the preferred method is to make paper copies and keep them in a loose-leaf binder. Other campaigns would prefer to PDF of each report and save them to a designated computer file.

Contributions must be deposited within five business days of receipt. Each deposit is reported on a separate C-3 report. A C-3 report could, therefore, cover a one-week period. For most contributors, you must include the aggregate, per-election total of contributions received on the C-3. For contributions from bona fide political party and caucus political committees, you report the aggregate total of contributions received from the beginning of the campaign.

Your bank statement is another supporting document for monetary contributions. If you prepare a C-3 report every time you make a bank deposit (as you are required to do), you will always be able to match your C-3 reports with the deposits appearing on your bank statements.

Other types of contributions, such as in-kind contributions and pledges, may be kept track of by recording the relevant information about them on notebook paper. If you use a notebook, add section dividers and convert it into an all-purpose book for recording campaign financial information.

Expenditures

There are three different types of expenditures: standard monetary expenditures, petty cash disbursements, and orders placed but not yet paid (debts). Each is entered in the ORCA software as follows:

Standard Expenditures: Click Transactions >> Expenditures >> Monetary Expenditures. (Click *refund contribution* only when the campaign has deposited a contribution and later decides to return the money.) The date is the date the expenditure was made. Standard expenditures come out of ORCA Bank Account 1000. *PDC staff recommendation: enter the check number when entering expenditures. It does not show up on reports and it helps when reconciling bank statements to PDC reports/ORCA entries.*

Petty Cash: Click Transactions >> Expenditures >> Monetary Expenditures. Be sure to change the bank account to ORCA Petty Cash Account 1800. If you are reimbursing someone from the petty cash fund, enter the individual's name in the description field along with the item/service that was purchased. See page 50 for an explanation of how to establish a petty cash fund in the ORCA software.

Don't use the petty cash fund to pay expenses when a check can be conveniently written. A check gives you a record of the payment.

Be sure to keep receipts for all expenditures, including those made from the petty cash fund. (Note: The sum of petty cash on hand and receipts for disbursements must always equal the starting amount of the fund.)

Orders Placed: Make sure that debts of \$250 or more and debts of \$50 that are over 30 days old are disclosed. Click Transactions >> Debt >> Vendor Debt in the ORCA software to record them.

Contingency salary agreements -- those promises to pay consultants or others a certain amount if the election is won -- are first reported as outstanding debts when the agreements are entered into. They will then appear on each successive Schedule B until paid or removed as a debt because the terms of the agreement were not satisfied.

Miscellaneous Records

Establishing a miscellaneous records file can be helpful. It provides a place to record plans for disposition of surplus funds, insurance policies taken out by the campaign, potential liabilities from lawsuits, disputed payments, and other correspondence or conversations with PDC staff or others regarding the campaign's finances or reporting procedures.

Deducting Cost of Consumables

Review the discussion on Fund Raising Events and Qualifying Low-Cost Fund Raisers beginning on page 36.

The law permits that the amount of a contribution received in connection with a fund raising event (such as a dinner) may be reduced by the cost of the food, beverages, preparation, catering or entertainment furnished at the event and, arguably, consumed by the contributor.

If you choose to do this, some special bookkeeping techniques are necessary and you'll probably want to set up a subsidiary set of records for the event.

You have to determine the per person amount to be deducted in order to deduct the cost of consumables from each contribution received. To do this, add up all the separate charges for food, beverages, preparation, catering, entertainment and all taxes paid for the event. Divide this total by the number of persons you planned for the number you told the caterer to provide food for. (This number of persons will likely be smaller than the number of persons invited, but may be larger than the number who actually show up. Nevertheless, using the number of guests you relied on for planning purposes is a fair way to compute the per-person cost of consumables.)

The amount you arrive at after dividing the total cost of consumables by the number of persons you planned would attend is the per-person consumables cost. Deduct this amount from each contributor's donation. This "net" contribution is the amount entered in the ORCA software for each contributor. If you did not charge a uniform admission amount, the figure for each contributor will vary. However, if you asked each person, for example, to contribute \$100 and the per person consumables cost is \$20, the C-3 for this event would show an \$80 contribution from each contributor who purchased one ticket. If a couple purchases two tickets for themselves, each of them is entitled to one deduction. *In order to avoid the situation where a few contributors pay for all of the food and beverages at an event without showing this expense as a contribution to the candidate, if a contributor purchases several tickets, that contributor is still only entitled to one, per-person deduction for the cost of consumables.*

The C-3 report representing the deposit of monies received for the fund raiser will not match the amount of the deposit. This is understood. The "shortfall" is offset in your records by the fact that you will also not report on Schedule A the payments you made to vendors for the consumables. Of course, your records will show that you made these payments, but if you also reported them on the Schedule A, your total expenditures amount would be too high in relation to the amount of contributions you have reported receiving.

[Note, if you are uncomfortable with this common method of reporting deductions for consumables, you might consider reporting on the C-3 each contributor's "net" contribution as discussed above, but also including a line item, in Part 2 of the report, that reflects the lump sum of all monies received that cover consumables provided at the event. If you do this, then your C-3 total for the fund raiser should match the bank deposit of the monies received from the event. Then, since you are accounting for the overall, full amount on your C-3, you would also report the payments to vendors for the consumables on Schedule A.]

Either reporting method discussed above is acceptable. Call PDC at (360) 753-1111/toll free 1-877-601-2828 for assistance.

Joint Fund Raising and "Slate" Committees

Candidates are advised to follow these guidelines when participating in 1) joint fund raising efforts with other candidates and 2) in committees that support a slate of candidates.

Joint Fund Raising. A separate joint fund raising account is established. There is no need to register this account with PDC as a separate committee. All contribution checks are made out in the name of the joint fund raising account. All joint fund raising expenses are paid out of this account. After expenses are paid, the account will distribute the remaining funds to all participants on a pro-rated basis. An example would be, if there are four candidates participating, each receives one-fourth of the net receipts.

Accompanying this payment to each candidate will be a list of contributor names and addresses and the full amount of each candidate's pro-rated share. For example, if a donor gave \$500 to the joint fund raising effort of four candidates, the list would show this contributor giving each candidate \$125. [Note that if a contributor's pro-rated amount to each candidate is \$100 or more and the contributor is an individual, then the candidate will need to report the contributor's occupation and employer in addition to name and address.]

Each candidate uses the information on the list to complete his or her C-3 report that represents the deposit of the check from the joint fund raising account. It is understood that the C-3 will not match the amount of the deposit. (The difference will be the candidate's share of the expenditures for the joint fund raising.)

Then, on the candidate's next C-4, he or she will report on the Schedule A his or her portion of each expenditure made by the joint fund raising account. Again, if there were four candidates participating in a joint fund raiser, each would itemize the expenses made by the joint account showing one-fourth of each expense. **Even though each candidate reports his or her share of the expenses on the Schedule A, no actual payment is made by the individual candidates to the vendors involved** (since the vendors have already been paid by the joint account).

This method of handling joint fund raising eliminates establishment of a separate joint fund raising committee, while still satisfying the legal requirements that all expenditures be reported and all contributions to the effort are attributed to the individual candidates involved.

Alternatively, each candidate involved in a joint fund raising event could pay a set percentage of the expenses and receive a similar percentage of the funds collected at the event. For example if one candidate were responsible for 60% of the expenses at a joint fund raising event, then that candidate would receive 60% of the funds remaining after expenses are paid. Each candidate committee participating in the event would receive a pro-rated or proportional amount of the funds collected in relation to the expenses paid by that committee.

Call the PDC at (360) 753-1111 or toll free 1-877-601-2828 if you have questions concerning joint fund raising activity.

"Slate" Committees. The law allows candidates to participate in committees organized to support a slate of candidates. Unlike joint fund raising efforts, slate committees do not pass along the money raised to the candidates involved, but rather directly spend the contributions received in a manner that equally benefits all the candidates participating in the committee.

Slate committees register and report like any political committee. On its C-1pc registration statement, a slate committee would check the "other" box in the purpose or description of committee section, and attach a sheet explaining that it is a committee organized to support a slate of candidates. The names and offices sought of the candidates participating would also be listed on this attachment.

The law requires that all contributions made by a contributor directly or indirectly to a candidate be considered as contributions to that candidate. [RCW 42.17A.460] As such, contributors to slate committees are, in fact, giving to the candidates who are participating in the committee.

Therefore, prior to the due date of each C-4 report, the slate committee must provide each candidate with a list of its contributors, showing the name, complete address, date and the full amount of the candidate's pro-rated share of each contribution. For example, if a contributor gave \$600 to a committee supporting a slate of six candidates, the committee would list this contributor as giving \$100 to each candidate.

Using the list provided by the slate committee, each candidate will then report, as in-kind contributions in Part 1

of Schedule B, his or her portion of from all contributions to the slate committee. The candidate will note that these contributions are through the slate committee, thus alerting the public that they should look at that committee's report for information on how the contributions were spent.

The slate committee will file regular C-3 and C-4 reports with PDC. The information supplied to the candidates involved is in addition to its regular reporting.

Appendix

Electronic Filing [campaign reports]
Electronic Filing [personal financial affairs statement]
County Elections Officials
Pertinent Government Agencies
WSDOT's Campaign Sign Placement Advisory
Annotated Campaign forms

ELECTRONIC FILING

ELECTRONIC FILING OF CAMPAIGN FINANCE REPORTS

ORCA (Online Reporting of Campaign Activity)

The PDC has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The ORCA software is NOT campaign management software; it is designed specifically to meet the reporting requirements under RCW 42.17A. ORCA will create all of the candidate and political committee reports necessary to comply with state law.

If your campaign or political committee is currently using campaign finance software other than ORCA software, the PDC's Information Technology staff will send you a "vendor" package that may enable your campaign to file electronically using your current software.

Minimum System Requirements:

Windows – Windows 2000; 256 MB RAM, 1 Ghz Processor; 500 MB free disk space; an Internet connection; and Java Runtime Environment (JRE) 1.5.

Apple/MAC – MAC OS X Version 10.4 Tiger and Java Runtime Environment (JRE) 1.5.

To work properly, contributor and expenditure data from the beginning of the campaign must be entered into the system.

Downloading and Installing ORCA

Download the software from www.pdc.wa.gov/orca.

Simply click "download ORCA" and follow the prompts. You should have an icon titled **ORCA** on your Desktop after downloading. If an icon is not on your desktop, you can find the ORCA program by clicking "Start" and "All Programs."

ORCA was developed by PDC staff and released in January 2006. The software is continually being enhanced and updated to keep up with changing campaign finance disclosure laws. After the initial download, users should regularly click "ORCA Web Update" to ensure that they are using the latest version of the software. MAC users update the software through the PDC's [website](http://www.pdc.wa.gov).

You can enter campaign transactions after installing the ORCA software. You will not be able to transmit reports without a filer ID issued by PDC staff. Obtain a filer ID by submitting the appropriate signatures and passwords to the PDC.

Register an E-filing Account

There are three ways to register an E-filing account:

1. The candidate can start at www.pdc.wa.gov, click the C-1 *Filer Quick Link* in the bottom right corner of the page and E-file the registration. If the candidate is new to E-filing, towards the end of the filing process, s/he is prompted to print, sign, and mail a signature authorization. PDC staff will E-mail a Filer ID to the candidate after receiving the signature authorization. – OR –
2. File the C-1 using the ORCA software. Once the campaign has been set up in the software, click *Reports >> Preview/Print C1*. Complete all fields and then click the *Submit C1 Report* button. After the report validates, you will be prompted to print a signature card – do this before moving on! Follow the prompts to continue filing and be sure to mail in the signature authorization. – OR –
3. The candidate can print, complete, and mail a C-1 to the PDC along with a [signature authorization letter](http://www.pdc.wa.gov/filers/page.aspx?c1=113&c2=114&c3=115) and passwords. PDC staff will E-mail a Filer ID to the candidate after receiving the C-1 and signature authorization. [Find the signature authorization template at <http://www.pdc.wa.gov/filers/page.aspx?c1=113&c2=114&c3=115>.]

The Filer ID is permanent and stays with the candidate from campaign to campaign. The only exception is when a candidate registers a second campaign in a particular year. For example, a state representative who registers a re-election campaign for 2012 and later registers a 2012 campaign for state senator is given a unique Filer ID the senate campaign.

ELECTRONIC FILING OF PERSONAL FINANCIAL AFFAIRS STATEMENT

Public officials and candidates have the opportunity to file their annual Personal Financial Affairs Statement electronically over the Internet. The F-1 electronic filing process provides an easy way for elected officials, state appointed officials and candidates to comply with state reporting requirements.

Officials may use agency computers and staff to file annual F-1 reports (since filing requirement stems from their holding public office).

Setting Up a New Electronic Filing Account

1. Go to www.pdc.wa.gov
2. Click on the "Quick Link" for the F1 application located in the bottom right corner of the PDC homepage
3. Create an account by using the link on the left side of the page
4. You will enter a username/email, password & contact information
5. After creating your account you will be directed to the "Welcome screen" for your account
6. Click on "Start a New F1 Form"
7. Read through the next screens to verify your basic information and office
8. When you are done it will load the "filing wizard" that you can use to complete the form.
9. You will see that each section has a "red bar" on the side that says "open" on it. When you click on this you will be to add new information. If you would like to edit information you will need to open this bar to see the information to edit.
10. You must answer all of the questions in Section 5 of the F-1. You must also fill in all fields in the "certification" section at the bottom of the wizard in order for the "submit" button to become available to you.
11. If you need to leave the application for a while, please use the blue "Save" button located at the top of the screen. You will be able to continue working on the saved form later by logging back into your account.
12. If you would like to print the F-1 and/or F-1 Supplement please use the red "View/Print/Save F1 as PDF" buttons at the top of the screen.
13. You will be able to print your signature card when you have submitted the form; you must sign and mail a hard copy of the signature card so we can activate your account and process your pending form.
14. You will receive an email confirmation when we have activated your account and your F-1 is successfully filed.

County Election Officials

ADAMS

wei.sos.wa.gov/county/adams/
210 West Broadway Ave Suite 200
Ritzville, WA 99169-1897
heidih@co.adams.wa.us
509-659-3249

ASOTIN

WEI.SOS.WA.GOV/COUNTY/ASOTIN/
135 2nd St. / PO Box 129
Asotin, WA 99402-0129
dmckay@co.asotin.wa.us
509-243-2084

BENTON

www.bentonelections.com/
620 Market St in Prosser
W Canal Dr in Kennewick
101 Wellsian Way Ste E in Richland
PO Box 470
Prosser, WA 99350-0470
elections@co.benton.wa.us
509-736-3085 and 509-786-5618

CHELAN

www.wei.sos.wa.gov/county/chelan/
350 Orondo Avenue Level 3, Wenatchee 98801
PO Box 4670
Wenatchee, WA 98807-0400
elections.ballots@co.chelan.wa.us
509-667-6808

CLALLAM

www.wei.sos.wa.gov/county/clallam/
223 E 4th Street Suite #1
Port Angeles, WA 98362-3026
auditor@co.clallam.wa.us
360-417-2221

CLARK

www.clark.wa.gov/elections
1408 Franklin Street
PO Box 8815
Vancouver, WA 98666-8815
elections@clark.wa.gov
360-397-2345

COLUMBIA

www.columbiaco.com
341 East Main Street, Suite 3
Dayton, WA 99328-1361
sharon_richter@co.columbia.wa.us
509-382-4541

COWLITZ

www.vote.wa.gov/cowlitz/
207 4th Avenue N. Rm 107
Kelso, WA 98626-4124
elections@co.cowlitz.wa.us
360-577-3005

DOUGLAS

www.wei.sos.wa.gov/county/douglas/
213 S Rainier St. / PO Box 456
Waterville, WA 98858-0456
elections@co.douglas.wa.us
509-745-8527 ext 6407

FERRY

www.wei.sos.wa.gov/county/ferry/
350 E. Delaware Ave. #2
Republic, WA 99166-9747
elections@co.ferry.wa.us
509-775-5200

FRANKLIN

www.wei.sos.wa.gov/county/franklin/
1016 N. 4th Avenue /
PO Box 1451
Pasco, WA 99301-1451
elections@co.franklin.wa.us
509-545-3538

GARFIELD

www.wei.sos.wa.gov/county/garfield/
789 Main St / PO Box 278
Pomeroy, WA 99347-0278
ddeal@co.garfield.wa.us
509-843-1411

GRANT

www.wei.sos.wa.gov/county/grant/
35 C St NW / PO Box 37
Ephrata, WA 98823-0037
elections@co.grant.wa.us
509-754-2011 ext. 423

GRAYS HARBOR

www.wei.sos.wa.gov/county/graysharbor/
100 Broadway Avenue W., Suite 2
Montesano, WA 98563-3614
kfmmoore@co.grays-harbor.wa.us
(360) 964-1556

ISLAND

www.wei.sos.wa.gov/county/island/
400 N Main St / PO Box 1410
Coupeville, WA 98239-1410
elections@co.island.wa.us
360-679-7366

JEFFERSON

www.wei.sos.wa.gov/county/jefferson/

1820 Jefferson St. /
PO Box 563
Port Townsend, WA 98368-0563
elections@co.jefferson.wa.us
360-385-9117

KING

www.kingcounty.gov/elections
919 Southwest Grady Way
Renton, WA 98057-2906
elections@kingcounty.gov
206-296-8683

KITSAP

www.kitsapgov.com/aud/elections.htm
619 Division Street
Port Orchard, WA 98366-4678
auditor@co.kitsap.wa.us
360-337-7128

KITTITAS

www.co.kittitas.wa.us/auditor/elections/default.aspx
205 W. 5th Ave Suite 105
Ellensburg, WA 98926-2891
elections@co.kittitas.wa.us
509-962-7503

KLICKITAT

www.wei.sos.wa.gov/county/klickitat/
205 S. Columbus Avenue,
MS 2
Goldendale, WA 98620-9280
voting@co.klickitat.wa.us
509-773-4001

LEWIS

www.wei.sos.wa.gov/county/lewis/
351 N.W. North Street /
PO Box 29
Chehalis, WA 98532-0029
Heather.Boyer@lewiscountywa.gov
360-740-1278

LINCOLN

www.wei.sos.wa.gov/county/lincoln/
450 Logan / PO Box 28
Davenport, WA 99122-0028
sjohnston@co.lincoln.wa.us
509-725-4971

MASON

www.wei.sos.wa.gov/county/mason/
411 N. 5th Street / PO Box 400

Shelton, WA 98584-0400
elections@co.mason.wa.us
360-427-9670 ext.469

OKANOGAN

www.wei.sos.wa.gov/county/okanogan/
149 3rd Avenue N. Rm.104 / PO Box 1010
Okanogan, WA 98840-1010
elections@co.okanogan.wa.us
509-422-7240

PACIFIC

www.wei.sos.wa.gov/county/pacific/
300 Memorial Drive in South Bend,
7013 Sunridge in Longbeach (98631)
PO Box 97
South Bend, WA 98586-0097
pgardner@co.pacific.wa.us
360-875-9317

PEND OREILLE

www.pendoreilleco.org/county/elections.asp
625 W. 4th / PO Box 5015
Newport, WA 99156-5015
elections@pendoreille.org
509-447-3185 and 509-447-6472

PIERCE

www.co.pierce.wa.us/index.aspx?NID=328
2501 S. 35th St. Suite C
Tacoma, WA 98409-7484
pcelections@co.pierce.wa.us
253-798-7430 and 800-446-4979

SAN JUAN

www.wei.sos.wa.gov/county/sanjuan/
55 2nd Street, Suite A /
PO Box 638
Friday Harbor, WA 98250-0638
elections@sanjuanco.com
360-378-3357

SKAGIT

www.wei.sos.wa.gov/county/skagit/
PO Box 1306
Admin Building, Room 201
700 S. Second Street
Mount Vernon, WA 98273-1306
scelections@co.skagit.wa.us
360-336-9305

SKAMANIA

www.wei.sos.wa.gov/county/skamania/
240 NW Vancouver Ave. /
PO Box 790

Stevenson, WA 98648-0790
elections@co.skamania.wa.us
509-427-3730

SNOHOMISH

www.co.snohomish.wa.us/Departments/Auditor/Divisions/Elections_Voting/
3000 Rockefeller Avenue #505
Everett, WA 98201-4060
elections@snoco.org
425-388-3444

SPOKANE

www.wei.sos.wa.gov/county/spokane/
1033 W. Gardner Ave
Spokane, WA 99260-0020
elections@spokanecounty.org
509-477-2320

STEVENS

www.wei.sos.wa.gov/county/stevens/
215 South Oak Street Rm. 106
Colville, WA 99114-2836
elections@co.stevens.wa.us
509-684-7514 and 1-866-307-9060

THURSTON

www.ThurstonVotes.org
2000 Lakeridge Drive S.W.
Olympia, WA 98502-6090
elections@co.thurston.wa.us
360-786-5408

WAHKIAKUM

www.wei.sos.wa.gov/county/wahkiakum/
64 Main Street / PO Box 543
Cathlamet, WA 98612-0543
tischerd@co.wahkiakum.wa.us
360-795-3219

WALLA WALLA

www.wei.sos.wa.gov/county/wallawalla/
310 W. Poplar St./
PO Box 2176
Walla Walla, WA 99362-0356
elections@co.walla-walla.wa.us
509-524-2530

WHATCOM

www.wei.sos.wa.gov/county/whatcom/
311 Grand Avenue, Suite 103
Bellingham, WA 98225-4038
elections@co.whatcom.wa.us

360-676-6742

WHITMAN

www.wei.sos.wa.gov/county/whitman/
N 304 Main St / PO Box 191
Colfax, WA 99111
elections@co.whitman.wa.us
509-397-5284

YAKIMA

www.yakimacounty.us/vote/
128 N. Second Street, Room 117 (98901)
PO Box 12570
Yakima WA 98909-2570
Yakima, WA 98901-2639
iVote@co.yakima.wa.us
509-574-1340

Pertinent Government Agencies

QUESTIONS ABOUT	AGENCY	TELEPHONE
Business Licenses	Department of Licensing 1125 Washington St. SE, M/S 8001, Olympia, WA 98504-8001 or Local City Clerk or Treasurer	360-664-1400
Candidates Voter Pamphlet	County Auditor or Secretary of State	360-902-4151
Declarations of Candidacy	County Auditor or Secretary of State	360-902-4151
Election Laws	County Auditor or Secretary of State	360-902-4180
Employee Withholding (W-4 form)	Internal Revenue Service (local office)	800-829-3676
Employer ID Number (Form SSÄ4)	Internal Revenue Service (local office)	800-829-4933 or 800-829-3676
Federal Campaign Reporting	Federal Election Commission www.fec.gov	800-424-9530
Federal Income Tax (Form 1120-POL)	Internal Revenue Service (local office)	800-829-1040
Gambling Permits (bingo, raffles)	Gambling Commission 4565 7 th Avenue SE, Lacey, WA 98503	360-486-3440
Health Permits (food sales)	County or City Health Department	
Incorporation	Secretary of State 801 Capitol Way South, PO Box 4023, Olympia, WA 98504-0234	360-753-7115
Liquor and Banquet Permits	Liquor Control Board http://www.liq.wa.gov/licensing/banquet-permits	306-664-1600
Political Broadcasting	Federal Communications Commission Broadcast Bureau, Washington, D.C. 20554	202-418-1440
Postal Permits	Local U.S.Post Office	
Sign Regulations	state highways – see next page local streets & roads – consult with local public works depts.	
Social Security	Social Security Administration (local office)	
State Taxes	Department of Revenue PO Box 47462, Olympia, WA 98504-7450	800-647-7706



**Washington State
Department of Transportation**

Lynn Peterson
Secretary of Transportation

Transportation Building
810 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-633-6388
www.wsdot.wa.gov

Dear Candidate:

The Washington State Department of Transportation (WSDOT) wishes to take this opportunity to advise political candidates about the placement of campaign signs and placards along state highways.

Revised Code of Washington (RCW) 47.42, the Highway Advertising Control Act, regulates signing on Interstate highways, Primary highways, and highways that are part of the Scenic and Recreational System. Signs erected on private property adjacent to these highways must comply with the Highway Advertising Control Act, rules contained in Washington Administrative Code (WAC) 468-66, and applicable local agency sign codes.

In accordance with WAC 468-66-050, *Sign Classifications and Specific Provisions*, temporary political campaign signs are identified and regulated as a type of on-premise sign intended to express a property owner's endorsement of a political candidate or initiative. Prior to placing signs, WSDOT recommends checking with the property owner for permission to place the sign and to determine property line location. Campaign signs are allowed under the following regulations:

- 1) Temporary political campaign signs are limited to a maximum size of thirty-two square feet
- 2) Temporary political campaign signs must be removed within ten days following the election
- 3) Sign installers must have permission of the underlying property owner prior to placing signs
- 4) Temporary political campaign signs are subject to all other applicable provisions of RCW 47.42 and WAC 468-66 that pertain to Type 3 on-premise signs

In addition to the above restrictions, the erection of temporary political campaign signs within the right-of-way of all state highways is prohibited. Accordingly, signs placed within the right-of-way of any state highway are subject to removal by the Washington State Department of Transportation.

Also, RCW 47.36.180(1) states in part that it is unlawful to erect any structure, sign, or device visible from a city street, county road, or state highway that simulates any directional, warning, or danger sign likely to be mistaken for such a sign. Therefore, a campaign sign cannot be designed in a manner that resembles an official traffic control sign.

If you should have any questions about the placement of campaign signs along state highways, please contact Pat O'Leary at (360) 705-7296 or olearyp@wsdot.wa.gov

We sincerely hope that candidates for public office will observe the laws and regulations enacted to limit driver distraction and protect and preserve the roadside beauty of our state. Thank you in advance for your courtesy in this matter.

Washington State Department of Transportation